

SENATE.

MONDAY, February 21, 1921.

(Legislative day of Monday, February 14, 1921.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Glass	Lodge	Simmons
Borah	Gooding	McCumber	Smith, Ariz.
Brandeggee	Gronna	McKellar	Smith, Ga.
Calder	Harris	McLean	Smith, Md.
Capper	Harrison	McNary	Smoot
Chamberlain	Heflin	Moses	Spencer
Culberson	Henderson	Myers	Sterling
Curtis	Jones, N. Mex.	New	Sutherland
Dial	Jones, Wash.	Norris	Swanson
Dillingham	Kellogg	Overman	Thomas
Fernald	Kendrick	Phelan	Townsend
Fletcher	Kenyon	Phipps	Trammell
France	Kirby	Pittman	Underwood
Frelinghuysen	Knox	Pomerene	Wadsworth
Gay	La Follette	Ransdell	Watson
Gerry	Lenroot	Sheppard	Willis

Mr. DIAL. Mr. President, I desire to announce that the Senator from Maine [Mr. HALE], the Senator from Washington [Mr. POINDEXTER], the Senator from Delaware [Mr. BALL], and the Senator from South Carolina [Mr. SMITH] are detained at a hearing before the Committee on Naval Affairs.

The VICE PRESIDENT. Sixty-four Senators have answered to their names. There is a quorum present.

TRANSPORTATION OF DIPLOMATIC AND CONSULAR OFFICERS, 1921 (S. DOC. NO. 411).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting a communication from the Secretary of State submitting a supplemental estimate of appropriation in the sum of \$200,000, required by the Department of State for transportation of diplomatic and consular officers, fiscal year 1921, which was referred to the Committee on Appropriations and ordered to be printed.

SALARY OF ASSISTANT SECRETARY OF AGRICULTURE (S. DOC. NO. 412).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting a communication from the Secretary of Agriculture, submitting a paragraph of legislation authorizing the payment of the salary of the Assistant Secretary of Agriculture from June 12, 1920, to March 4, 1921, notwithstanding the provisions of section 1761, Revised Statutes, etc., which was referred to the Committee on Appropriations and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by W. H. Overhues, its assistant enrolling clerk, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 15962) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1921, and prior fiscal years, and for other purposes; had agreed to the conference requested by the Senate; and that Mr. GOOD, Mr. CANNON, and Mr. EVANS of Montana were appointed managers of the conference on the part of the House.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 14461) to provide for the protection of the citizens of the United States by the temporary suspension of immigration, and for other purposes; had agreed to the conference requested by the Senate; and that Mr. JOHNSON of Washington, Mr. SIEGEL, Mr. VAILE, Mr. SABATH, and Mr. RAKER were appointed managers of the conference on the part of the House.

PETITIONS AND MEMORIALS.

Mr. McLEAN presented a memorial of sundry members of the First Church of Christ, Scientist, of Mystic, Conn., remonstrating against the enactment of legislation providing for physical education, which was referred to the Committee on Education and Labor.

He also presented memorials of the Woman's Club of Wallingford; the Cheshire Garden Club, of Cheshire; and the Women's Club of Norwalk, all in the State of Connecticut, remonstrating against commercializing the national parks, which were referred to the Committee on Commerce.

He also presented a telegram in the nature of a petition of the New Haven Auto Dealers' Association, of New Haven, Conn., praying for the enactment of legislation to include a Federal highway commission in proposed legislation to extend Federal aid to the several States in the construction of roads,

which was referred to the Committee on Post Offices and Post Roads.

He also presented a memorial of the Woman's Christian Temperance Union of Torrington, Conn., protesting against an appropriation being made in the agricultural appropriation bill for the investigation of and improvement of tobacco, which was ordered to lie on the table.

He also presented petitions of Walter J. Smith Post, No. 511, Veterans of Foreign Wars, of New Britain, Conn., and W. T. Brooks, secretary of meeting of ex-service men of Waterbury, Conn., praying for the enactment of legislation paying a bonus to ex-service men, which were referred to the Committee on Finance.

He also presented a resolution of Washington Camp, No. 4, Patriotic Order Sons of America, of New Haven, Conn., favoring legislation making armistice day a legal holiday, which was referred to the Committee on the Judiciary.

He also presented memorials of St. Mary's Holy Name Society, of New Britain; McSwiney Council, American Association for the Recognition of the Irish Republic, of Bridgeport; Campbell Council, No. 573, Knights of Columbus, of South Manchester; Valley Council, No. 23, Knights of Columbus, of Ansonia; Division No. 1, Ancient Order of Hibernians, of Rockville; and Division No. 8, Ancient Order of Hibernians, of Stafford Springs; Division No. 1, Ancient Order of Hibernians, of New London; Star of the Sea Branch, No. 681, Ladies' Catholic Benevolent Association, of New London; and Rev. P. H. McClean, of St. Mary's rectory, of Milford, all in the State of Connecticut, remonstrating against the enactment of legislation creating a department of education, which were referred to the Committee on Education and Labor.

Mr. GORE presented a resolution adopted at a meeting attended by 500 Catholics at Tulsa, Okla., protesting against the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. KENDRICK presented a joint memorial of the Legislature of Wyoming, which was referred to the Committee on Post Offices and Post Roads, as follows:

THE STATE OF WYOMING,
OFFICE OF THE SECRETARY OF STATE.UNITED STATES OF AMERICA,
State of Wyoming, ss:

I, W. E. Chaplin, secretary of state of the State of Wyoming, do hereby certify that the annexed copy of enrolled senate joint memorial No. 3, of the Sixteenth Legislature of the State of Wyoming, being original senate joint memorial No. 5, has been carefully compared with the original, filed in this office, and is a full, true, and correct transcript of the same and of the whole thereof.

In testimony whereof, I have hereunto set my hand and affixed the great seal of the State of Wyoming.

Done at Cheyenne, the capital, this 16th day of February, A. D. 1921.

[SEAL.]

W. E. CHAPLIN,
Secretary of State,
By H. M. SYMONS,
Deputy.

Enrolled joint memorial 3, Senate, Sixteenth Legislature of the State of Wyoming.

Memorial to the Senate and the House of Representatives of the United States requesting of Congress prompt action on H. R. 15873, for extension of Federal aid for highway construction.

Whereas the Federal Government has heretofore and during the past years extended Federal aid to the several States of the Union for the purpose of constructing permanent highways; and

Whereas by reason of such Federal aid many of the States have begun the construction of permanent State and interstate highways which have been completed in part and the completion of which will necessitate further Federal aid; and

Whereas heretofore on the 25th day of January, 1921, the Roads Committee of the House of Representatives of the United States did unanimously recommend an authorization for the appropriation of \$100,000,000 for the fiscal year ending June 30, 1922, also the appropriation of \$3,000,000 for the national forest roads and trails, which said recommendation is known as H. R. 15873, by the terms of which bill further Federal aid will be extended to the States of the Union for further permanent road construction and completion of roads under construction under the provisions of an act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads and for other purposes," approved July 11, 1916; and

Whereas the Legislature of the State of Wyoming did heretofore pass and adopt a law assenting to and agreeing to conform to the provisions of an act of Congress entitled "An act to provide that the United States shall aid the States in the construction of rural post roads and for other purposes," together with all acts and legislation amendatory thereof or supplementary thereto, or which shall grant or authorize aid for the construction, improvement, maintenance, or repair of public roads or highways: Now, therefore, be it

Resolved by the Senate of the State of Wyoming (the House of Representatives concurring), That the Congress of the United States be memorialized to take favorable and prompt action and to pass H. R. 15873 as unanimously recommended by the Roads Committee of the House of Representatives of the United States; be it further

Resolved, That a copy of this memorial be sent to Senator FRANCIS E. WARREN, Senator JOHN B. KENDRICK, and Hon. FRANK W. MONDELL, Representative in Congress for the State of Wyoming.

W. W. DALEY,
President of the Senate.
L. R. EWART,
Speaker of the House.

Mr. WILLIS presented a resolution of the American Association of Flint and Lime Glass Manufacturers (Inc.), of Pittsburgh, Pa., favoring legislation to prohibit importation of products manufactured in whole or in part by child labor, which was referred to the Committee on Education and Labor.

He also presented a memorial of Company B, Old Guard, of Newark, Ohio, protesting against the enactment of legislation incorporating the Grand Army of the Republic, which was referred to the Committee on Military Affairs.

Mr. TOWNSEND presented a resolution of the Tri-State Development Congress, of St. Paul, Minn., favoring legislation extending the powers of the Mississippi River Commission as far north as the Twin Cities, which was referred to the Committee on Commerce.

He also presented a memorial of sundry citizens of Charlevoix, Mich., remonstrating against the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

He also presented a resolution of the Exchange Club, of Grand Haven, Mich., favoring legislation for a deep waterway via the St. Lawrence River, which was referred to the Committee on Commerce.

He also presented a resolution of the Legislature of Michigan, which was referred to the Committee on Finance, as follows:

Senate concurrent resolution 11.

A concurrent resolution respectfully urging the Senate of the United States to enact legislation for the payment to each honorably discharged soldier, sailor, and marine of the bonus as passed by the United States House of Representatives.

Whereas there is a general desire on the part of an appreciative American public to show in a material way gratitude for the valiant work of our soldiers, sailors, and marines in the war against Germany and her allies; and

Whereas the general public feel that this Nation owes to its soldiers, sailors, and marines of the late war an everlasting debt of gratitude which financial aid can never repay; and

Whereas they believe there is justly due to those men who have made such noble sacrifices a greater measure of financial aid than provided for by existing laws; and

Whereas the subject of a soldier's bonus has been before the Federal Congress for some time, and the measure has passed the House of Representatives and will come up for consideration by the Senate of the United States: Therefore be it

Resolved by the senate (the house of representatives concurring) That the Legislature of the State of Michigan urge the Senate of the United States to pass the "bonus bill" as passed by the House of Representatives at Washington, D. C., at an early date, so that the boys who made such noble sacrifices may not have to wait any longer for this expression of the gratitude of the American people.

Resolved further, That copies of this resolution be forwarded to the United States Senators from Michigan.

Mr. TOWNSEND (for Mr. NEWBERRY) presented duplicate copy of the preceding resolution of the Legislature of Michigan, favoring legislation to pay an additional bonus to ex-service men, which was referred to the Committee on Finance.

He also (for Mr. NEWBERRY) presented memorials of the St. Vincent de Paul Society, of Detroit, and the clergy of St. Anne de Detroit Catholic Church, of Detroit, all in the State of Michigan, remonstrating against the enactment of legislation creating a department of education, which were referred to the Committee on Education and Labor.

He also (for Mr. NEWBERRY) presented a petition of Louisa St. Clair Chapter, Daughters of the American Revolution, of Detroit, Mich., praying for the enactment of legislation providing for the protection of maternity and infancy, which was ordered to lie on the table.

He also (for Mr. NEWBERRY) presented a resolution of the Michigan State Farm Bureau, of Lansing, Mich., protesting against the enactment of legislation placing a tariff on Canadian lumber, which was referred to the Committee on Finance.

He also (for Mr. NEWBERRY) presented a resolution of Sault Ste. Marie Civic and Commercial Association, of Sault Ste. Marie, Mich., favoring an amendment to the seaman's act relative to traffic on the Great Lakes, which was referred to the Committee on Commerce.

Mr. GOODING presented a resolution adopted by the Idaho Mining Association, at Boise, Idaho, favoring immediate steps being taken by the carriers and ore producers and shippers, jointly, to secure such readjustment and revision of the present ore rates as will permit of the continued operation of the metal mines, etc., which was referred to the Committee on Interstate Commerce.

REPORTS OF COMMITTEES.

Mr. BALL, from the Committee on the District of Columbia, to which was referred the bill (S. 5023) to provide for the closing of Cedar Road between Quincy Street and Shepherd Street NW., in the District of Columbia, reported it without amendment and submitted a report (No. 807) thereon.

Mr. KENDRICK, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 13402) for the

purchase of land occupied by experiment vineyards near Fresno and Oakville, Calif., reported it without amendment and submitted a report (No. 808) thereon.

BILL INTRODUCED.

Mr. RANDELL introduced a bill (S. 5030) authorizing the city of New Orleans, La., to extend Dauphine Street in said city across the United States military reservation known as the Jackson Barracks (with accompanying paper), which was read twice by its title and referred to the Committee on Military Affairs.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. LODGE submitted an amendment providing for a survey and investigation of the channel and anchorage basin of New Bedford (Mass.) Harbor, with a view to obtaining a depth of at least 35 feet, intended to be proposed by him to the river and harbor appropriation bill, which was ordered to lie on the table and to be printed.

Mr. CALDER submitted an amendment proposing to pay Malcolm J. Hartman, lately a topographical draftsman in the Navy, \$1,370.87 for actual expenses incurred while stationed at the naval ammunition depot, Iona Island, N. Y., etc., intended to be proposed by him to the naval appropriation bill, which was referred to the Committee on Naval Affairs and ordered to be printed.

He also submitted an amendment providing that the Secretary of Agriculture, in cooperation with the State agricultural colleges and experiment stations and the United States Council of the World's Poultry Congress and other organizations, be authorized on behalf of the United States to make suitable exhibits at the World's Poultry Congress of the International Association of Poultry Instructors and Investigators, to be held at The Hague, Holland, September 6 to 13, 1921, and appropriating \$15,000 therefor, intended to be proposed by him to the Agricultural appropriation bill, which was ordered to lie on the table and to be printed.

DISTRICT OF COLUMBIA MUNICIPAL COURT.

Mr. KELLOGG submitted an amendment intended to be proposed by him to the bill (H. R. 10074) to enlarge the jurisdiction of the municipal court of the District of Columbia, and to regulate appeals from the judgments of said court, and for other purposes, which was referred to the Committee on the Judiciary and ordered to be printed.

AGRICULTURAL APPROPRIATIONS.

The VICE PRESIDENT. The pending question is the motion of the Senator from North Dakota [Mr. GRONNA] to proceed to the consideration of the bill (H. R. 15812) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1922.

Mr. GRONNA resumed and concluded the speech begun by him on Saturday. The speech entire is as follows:

Saturday, February 19, 1921.

Mr. President, when the bill providing for appropriations for the Postal Service was about to be taken up, I made an effort to call to the attention of the Senate the importance of passing the Agricultural appropriation bill. The bill reported by the Committee on Post Offices and Post Roads was permitted to be taken up; justly so, of course. Later on the chairman of the Committee on Appropriations asked that the first deficiency bill might be disposed of before the Agricultural appropriation bill was taken up, and in the meantime the bill which was passed to-day while I was absent, the immigration bill, was made the unfinished business. That measure has been disposed of.

The bill to which the Senator from Michigan [Mr. TOWNSEND] has referred is a House bill, no amendment having been made to it by the Senate committee. I take it, therefore, that very little time will be required, as it does not go to conference. It is not so with the Agricultural appropriation bill. More than 70 amendments have been added to that bill by the committee. How many more will be offered and agreed to in the Senate I do not know. It is reasonable to believe that there will be 70 or 80 amendments to dispose of. Some of them are provisions which in their nature are legislation. They have to go not only to the Committee on Agriculture, but the bill will have to go to the Committee on Appropriations under the new rules of the House.

I do not intend to take the responsibility for defeating the Agricultural appropriation bill, but I am going to place the responsibility where it justly belongs. I have been in Congress long enough to know that when Congress wants to defeat a certain measure there is always a possibility to find an excuse to do so. I personally certainly will suffer no more nor less by the strangling or the defeating of the Agricultural appropria-

tion bill than any other Member of this body, but the people of my State and the people of the entire drought-stricken area will suffer if the item providing for an appropriation of \$50,000 is rejected, unless my bill can be passed as a separate measure.

But there are other provisions in the Agricultural appropriation bill in which I am deeply interested. Regardless of what may be said about the farmers of the West—how much wealth they possess and how much money they have made during the last few years—I find that in several sections of the West, in the drought-stricken area, they are not able to get even seed grain. Their credit is exhausted. The banks are unable to extend credit to them. On many occasions and in many localities the counties have extended credit for the purchase of seed grain, but in those localities they are no longer able to extend further credit, so that all these agencies have ceased to function.

I am glad to say the farmers are not affected in the eastern portion of North Dakota, or even in the central part of the State, but in the western part of the State, and over a large area in Montana, and in the western part of South Dakota, and in many other sections the farmers are absolutely helpless, and will not be able to purchase seed grain; and, of course, there will be vast areas in the spring-wheat belt, estimated all the way from two to four million acres, which will not be planted to any crops at all.

I can hardly believe that it is the wish of the Senate to continue those conditions, but, of course, it is for the Senate to take such action as it sees fit. But I do not want to shirk my responsibility, and I call attention to the absolute necessity of doing something for these people. There are many other things which I shall try to call attention to. I shall try to show that there is more urgency for the passing of the Agricultural appropriation bill than of the bill which the Senator from Michigan has referred to. I am not opposing that bill. But why did not the Senator bring up that bill instead of the Post Office appropriation bill if the country is to go to pieces without that legislation?

It seems to me to be unfair that just as soon as this measure, which affects the farmers throughout the entire country, is sought to be called up, we always find that some other measure is said to be more important. I do not believe that claim is proved. The time may come when the railroads who are now so poor, and who confess to this poverty-stricken condition, will have nothing to haul; they will have no tonnage. If we can not make conditions such that the people in the grain States and in the other sections of the country are able to carry on farming, it seems to me that the losses to the railroads will be greater from that cause than from the cause to which the Senator has called attention, because his bill only involves \$350,000,000. Mr. President, that is not a drop in the bucket to be compared with the tremendous amount of freight, and the money involved in this bill.

It is true that the bill does not carry as large an appropriation as the bill now sought to be brought up by the Senator from Michigan, but the value of business which will be transacted through the operations of this bill amounts to many times more than the amount of money involved in the bill referred to by the Senator from Michigan.

I want for a few moments to take the time of the Senate to read a communication which I received this morning from a farmer in South Dakota, just to show the conditions throughout that section of the country. This letter is dated Britton, S. Dak., February 16, 1921, is addressed to me, and reads:

BRITTON, S. DAK., February 16, 1921.

HON. A. J. GRONNA,
United States Senate Chamber,
Washington, D. C.

DEAR SIR: Probably the most widely discussed topic now engaging the attention of the public here in the West at the present moment is the farming problem, particularly as it relates to the marketing of wheat and its price movements.

The writer, by reason of years experience in the flour milling and grain shipping business, subsequent close contact with farm conditions here in northeastern South Dakota in connection with the real estate and farm-loan business—and himself owner of land farmed by tenants—feels qualified to analyze the situation which now confronts the American wheat grower; and in pursuance of such a purpose has prepared an article, copy of which is inclosed herewith, in which the aim of the writer is to depict the actual conditions under which the wheat grower is laboring, to point out a few of the glaring inconsistencies in the wheat trade and otherwise which handicap his progress, and to suggest a tentative plan, subject to amplification, as a remedy for the existing evils of our system of distribution.

As the writer is aware that you are vitally concerned in betterment of farm conditions, both from the standpoint of a farmer yourself, and by reason of your honorable position on the Agricultural Committee of the Senate, this article is being submitted for your consideration in the hope that some portion of it, or an idea expressed therein, may serve a practical use or purpose at such times when the question is under con-

sideration by your committee, or is being discussed on the floor of the Senate.

Trusting that time is near at hand when the estate of the wheat grower shall be elevated to a plane where chance in the matter of value of his product is eliminated, I beg to remain,

Yours, very truly,

FREDERIC J. BROWN.

Mr. Brown has submitted an estimate, which I ask to be permitted to read, because it bears directly upon the question which I called attention to, namely, the necessity of passing the Agricultural appropriation bill in order that the amount provided for in the bill, namely, \$5,000,000, shall be appropriated and loaned to farmers in small amounts not to exceed \$300 to any one farmer to purchase seed grain. That very thing was done two years ago, when the people in western Kansas, in a portion of Montana, and, I believe, in a few instances in the western part of my State, availed themselves of the opportunity of getting seed from the Government, or through the credit of the Government.

Mr. President, nearly all those loans have been paid back to the Government. It was not a subsidy to the farmer, as the bill of the Senator from Michigan now proposes a subsidy to the railroads. It was not taken out of the Treasury and given to the farmer, but it was paid back with interest. That is possibly why it is more important to pass the Senator's bill.

This estimate does not refer to my own State, but to conditions in the splendid, rich agricultural State of South Dakota, our neighbor to the south, a State which, in part, I had the honor when a young man to represent when it was a Territory.

This estimate is entitled:

Wheat, the lifeblood of the nations, the "handball" of commerce, the enigma of the farmer—A problem in political economy, on the proper solution of which depends the stability of America's most vital industry. By Frederic J. Brown.

If this were an old document I might apologize for reading it, but it is so new, so fresh, that the ink has hardly had time to dry on the paper. It is a living issue before the country.

I read from Mr. Brown's paper:

The problem is stated:

Assuming the case of a young man having a wife and small family settled upon an improved and fully cultivated half section of land in Marshall County, S. Dak., and engaged in raising small grains exclusively—primarily wheat, rotating alternately with a combination of oats, barley, and flax, it is proposed to show the cost of producing a bushel of wheat for the season of 1920, based on the market value—September 15, 1920—of the other grains produced on this farm, thrashing having been completed in this case on August 30, 1920.

It should be borne in mind that this young man belongs strictly to the wheat-raising class of farmer, has up until now made no attempt at diversified farming or the production on a commercial scale of beef cattle or finished hogs, nor is he engaged in pure-bred stock raising. Such would be aside the purpose of this cost survey, which, as stated, is to arrive at the cost of wheat when raised as the staple crop. What may be its cost under the varying conditions of farming where other lines are specialized in will not be here considered. In fact, the writer is free to admit that to enter upon a cost analysis of wheat when raised as a minor crop and involved with the production cost of pork, beef, and mutton on the hoof, together with butter fat, poultry, eggs, corn, potatoes, flaxseed and the like, without statistics applicable to local conditions, would be like trying "to sail a vessel on an uncharted sea"; that is to say, the question of wheat cost under conditions that obtain on many of our present-day farms is by far too complex a problem to admit of analysis without reference to and study of reliable data covering a period of three to five years under the conditions here prevailing.

But to return to the question: Our young farmer is the owner of 320 acres of land, fenced, improved with a fairly complete set of farm buildings, and an artesian well. It is not fully paid for, yet his equity therein is substantial, and with energy and thrift in his favor—and the elements favoring—he will eventually pay off the mortgage and thereby reduce his fixed charges. His equipment consists of eight good work horses and a full set of farming tools adequate to farm the acreage under plow. Also he enters upon the season of farming with a supply of required seed grain to sow the allotted fields, and with a stock of feed and hay sufficient to carry him through the harvest.

The value of his land is fixed for the accounting period by the sale within the 12 months of an adjoining quarter section of bare land—same quality of soil and equal in fertility—at \$75 per acre—half cash, balance at 7 per cent interest.

The area of this farm is practically all under plow, save only 15 acres for building site, yard, garden plot, feed lots, and hog pasture; and the fields were sown this year: Oats, 40 acres; barley, 80 acres; flax, 30 acres; wheat (Pearson durum), 155 acres.

The season was exceptionally favorable to the growth of the straw; but as time for maturity approached, excessive hot weather prevented the heads attaining full growth, thus reducing the promised yield of wheat by one-third to a half. However, his oats made 40 bushels average yield; barley, 28 bushels; flax, 15 bushels, while the wheat yielded a 14-bushel average—the latter being of the amber durum grade.

Let me say that that is not a small yield in the spring-wheat area and it will be found upon close examination of the statistics that it is a fairly good average crop.

The quality of his wheat was good, showed a test weight of 59½ pounds per bushel, docked 4 per cent, and on September 1—the day he finished thrashing—the local grain buyer offered him 3 cents over card price, or \$2.20 per bushel.

As our farmer had to help a neighbor with his thrashing, he concluded to let his grain lay in the elevator, at least for the period of free storage. Promptly then, on September 15, he came to town to cash in on his crop and to settle up running accounts. In the interim, grain prices had "bulged" a little, so that he was enabled to cash in at \$2.25 for his durum, \$2.89 for his flaxseed, 78 cents for his barley, and 47 cents for his oats.

I will say that these prices are at least 40 per cent higher than the prevailing prices to-day for the same grain and seed.

Having paid up all of his local bills and paid interest on his notes at the bank, also a payment on principal (of bank loans), he is now ready to cast up his account of the season's work, which, to summarize, is as follows:

Cost sheet.

[An exhibit of investment and expenditures required in production of durum wheat on the average Marshall County, S. Dak., farm, under conditions prevailing in 1920, and based upon market values of Sept. 15, 1920, on all other grains raised on the same farm in the same season.]

INVESTMENT.		CAPITAL.	
Cost of land: 320 acres, at \$75-----	\$24,000.00	Loan from rural credit board—First mortgage-----	\$10,000.00
Artesian well-----	750.00	Loan—Balance of purchase price—Second mortgage-----	6,000.00
Fencing-----	750.00	Temporary loans from bank on chattel security-----	4,000.00
Set of farm buildings-----	10,000.00	Proprietor's equity-----	21,500.00
(Investment per acre, \$110)-----	35,500.00		
Equipment:			
8 work horses, at \$125-----	\$1,000		
4 sets harness-----	400		
Farming machinery-----	1,600		
4 wagons, haying tools, and manure spreader-----	1,500		
Seed supply, carried from year to year-----	800		
Feed and hay, average stock on hand-----	700		
	6,000.00		
	41,500.00		41,500.00

Now, let us observe the income for 1920 and the cost account:

1920 income and cost account.

INCOME.		ANNUAL FIXED CHARGES.	
Proceeds of 1920 grain crop (land was cropped as follows, 15 acres being utilized for building site, etc.):		Interest:	
Oats—40 acres; yield, 1,600 bushels; retained for seed and feed, 1,300 bushels; sold, 300 bushels, at 47 cents-----	\$141.00	First mortgage, \$10,000, 7 per cent-----	\$700.00
Barley—80 acres; yield, 2,240 bushels; retained for seed, 160 bushels; sold, 2,080 bushels, at 78 cents-----	1,622.40	Second mortgage, \$6,000, 8 per cent-----	480.00
Flax—30 acres; yield, 450 bushels; dockage 10 per cent, 45 bushels; retained for seed, 25 bushels; sold, 380 bushels, at \$2.89-----	1,098.20	Bank loans, \$4,000, 10 per cent-----	400.00
Income, other than from wheat-----	2,861.60	Taxes:	
Wheat—155 acres; yield, 2,170 bushels No. 1 durum; dockage 4 per cent, 87 bushels; retained for seed, 200 bushels.		On real estate-----	\$380.00
Leaving the net production yield of wheat on this farm for 1920, 1,883 bushels, at an average cost per bushel of \$2.953.		On personal property-----	95.00
Costing to produce-----	5,567.40		475.00
		Fire and tornado insurance-----	50.00
		Depreciation:	
		On buildings, 3 per cent-----	300.00
		On horses, machinery, and tools, 16 per cent-----	675.00
		Total (annual overhead equal to \$10 per acre)-----	3,080.00
		OPERATING EXPENSES.	
		Rent of hay land, 32 acres, at \$3-----	96.00
		Blacksmithing-----	100.00
		Veterinary and horse service-----	75.00
		Repairs-----	225.00
		Labor:	
		Hired man, eight months-----	600.00
		Harvest help-----	75.00
		Board of men-----	250.00
		Binder twine, 500 pounds, at 18 cents-----	90.00
		Thrash bill:	
		2,620 bushels, at 28 cents-----	\$733.60
		3,840 bushels, at 16 cents-----	614.40
			1,348.00
		Amount chargeable to income for use of capital (farmer's net investment), at 6 per cent-----	1,290.00
		For supervising and labor by proprietor (part)-----	1,200.00
			8,429.00
	8,429.00		

I might say that the price for flaxseed mentioned in these figures is more than \$1 higher than the prevailing price for flaxseed.

I wish to assure the Senator from Michigan [Mr. TOWNSEND] that I am not talking against time. I wish to assure every Senator that I am not talking against time. But I have been in the Senate now for 10 years, and I have on several occasions made an honest effort to better conditions on the farm. The Senate has never seen fit to give to the farmer that to which the farmer is entitled. Questions affecting the farming industry are like Greek to most people, and the main reason is that they are not interested in the subject; but if we continue along the line we have been pursuing we may find ourselves in the condition that Rome was when that nation went to pieces simply because the people were unable to supply the necessary food. That is not an impossibility in this country, because conditions are being imposed under which it is impossible for the farmers to produce.

I am deeply interested in this question. I do not wish to refer to my State in any uncomplimentary way, but 36 banking institutions have closed their doors. Senators are calling attention to conditions which they claim are bringing about the ruin of the railroads, but if they will take the time to investigate the condition of the farmers they will find their situation such that any man who opposes helping the farmers and bringing them out of the chaos in which they now are will feel ashamed of his work.

I know the conditions in the United States, not only in my State but in every State in the Union. As chairman of the Committee on Agriculture, it has been my business and my duty to make an examination of those conditions. I know the con-

ditions in the South, and while I know that many Senators on the other side are interested in the other bill, because purchases have been made, as the Senator from Michigan has said, and those from whom the purchases have been made want their bills paid, let me tell them that the real interest of the people of the South in the Agricultural appropriation bill is a hundred times greater than is their interest in the railroad bill.

It worries me somewhat, Mr. President, when a Senator gently and kindly suggests to me that I am talking against time when he does not even do me the honor to listen to the poor words which I am uttering. Of course, we in the West feel the situation more keenly perhaps than do the people in any other section, but it is also being felt in the South. If the Senators from that section will return to their homes, they will find that nine-tenths of their people will say, "You are not trying to help us in the present deplorable condition." That is what they will tell you; and yet I have it suggested to me when I am addressing myself to a question greater than that affecting all the railroads with all their property thrown in that I talking against time; it is not true.

Monday, February 21, 1921.

Mr. GRONNA. Mr. President, I hope that I may have the attention of every Senator, as I shall take only a very few minutes to present the conditions among the farmers of the drought-stricken area of the West.

When the Senate took a recess on Saturday I was reading from a letter of Mr. Frederic J. Brown, of Britton, S. Dak., setting forth the conditions prevailing in the Northwest. I do not intend to read further from the letter. It is a long letter, and I shall simply ask to have it printed in the Record.

The VICE PRESIDENT. Without objection, it is so ordered. The letter referred to is as follows:

OBSERVATIONS.

The market price on No. 1 durum wheat at Britton on September 15, 1920 (the date of reckoning above cost), being \$2.25, the proceeds of this wheat crop amounted only to \$4,236.75—whereupon the account being closed, the net result of the farming operations in this case, for the year, showed a loss of \$1,330.65, thus depriving the farmer of any return on his investment, but leaving him \$1,159.35 for the farmer's own time and labor in conducting the farming operations.

Under the existing marketing system, this farmer was obliged to accept the price for his wheat paid by the local buyer, which, as we have seen, entailed a loss for the year of \$1,330.65. In turn, the price offered by the local buyer reflected the value of wheat at primary markets on the day of sale, September 15. In the determination of those values, which fluctuate wildly at times, and continually record variations, both wide and narrow, from day to day and from hour to hour, it does not appear the producer, or grower of wheat, at any time is taken into account, nor is there any consideration given as to how much or how little it cost to produce the grain.

True, there is a time between March 1 and August 1, when the new winter and spring wheat crops are in the making and indications point to a greater or lessened acreage and production of wheat above or below the 10-year average, that the price actually is affected by the position or course of the farmer as to the total area of farm land sown to wheat—if the same shows a variation from the preceding year of not less than and more than a half million acres sown to wheat. As to the factor of production (and yields), those are matters largely of climatic conditions and over which the farmer has no control.

Plainly, then, this fixing the value on wheat—the great staple food of the American people—by the traders in the commodity after it has passed from the producer's control is vicious, is inimical to the interests of the American farmer, and accounts for thousands upon thousands unprofitable ventures in wheat raising, not only in the past year but in preceding years as well. Going somewhat further into the economy now responsible for price making on wheat, all informed minds are obliged to admit that these market values for this commodity are to a very great extent, if not wholly, the concomitant effect (of trading in wheat futures, in the pits of our grain exchanges) of the relative value of two forces playing against each other. On one side are the elevator interests controlling line and terminal elevators and speculators who may on occasion see an advantage in buying futures in wheat, both aiming to boost prices to secure a profit on their lines or holdings. Opposed to them are the commercial millers and flour jobbers (selling futures as a hedge against their wheat and flour stocks) and the professional speculators, selling short upon the first sign of business depression or slackening of export demand or on crop reports, many of which are unreliable. To this class also belongs the exporter—all endeavoring to depress futures to secure profits on their short sales. The course of the futures markets being affected and influenced by a preponderance of selling orders—more sellers than buyers—the range of prices is downward, which is followed always by a corresponding decline in cash wheat prices.

It is just that very thing that is breaking the back of the wheat raiser, enslaved to the iniquitous system wherein the grain futures markets rule and dominates the cash-grain prices. A beautiful illustration of one phase of our economic system where "the tail wags the dog."

Of late there has been considerable discussion of the value and necessity of future trading in wheat, on one side; and on the other, of the evil effect thereof, some even advocating that short selling of wheat should be prohibited by law. Aside from the moral viewpoint of the question, the fact of the matter is the farmer, in the capacity of a producer, is not at all concerned in what happens to the pit trading of the grain exchanges, once the marketing system is reconstructed and founded upon a sound and rational basis.

Another distressing feature attending our marketing system is the practice of reselling wheat. It is not so much the weight of the original supply of wheat coming on to the market—that it is heavier than it should be in the months of September, October, and November, and which excess supply would be obviated under a regulated system—that breaks the market price, and at other times prevents the market advancing; but the constant reselling that is taking place, from first-hand to seventh and eighth hand. The shifting of wheat from country elevator to Minneapolis, then to Duluth or Chicago, then to Buffalo, then to New York, then to Philadelphia or Baltimore, then to the interior miller, then into export channels, means that that particular parcel has been sold and resold many times over and every such sale is a market price factor, and as such—at each stage of the process—directly competes against the producer's own supply. Manifestly it is unfair and unjust to place the producer of a staple and vital commodity in a position where upon entering the market with his product he must be assailed by supplies of a like kind held speculatively and which from the beginning to almost the end of every season hang as a saturated cloud over our grain markets.

If the scheme of trading and price movements now in use admirably reflects the working of the law of supply and demand, as so many of the supporters of our boards of trade do contend, it can not be denied that supply thereby is greatly magnified and that demand, especially during the first half of the crop year, is literally deluged by the paradoxical oversupply. The effect of such a condition is to adversely affect the producer by tending to depress prices during that period when fully 75 per cent of his commodity must be liquidated in meeting credit obligations.

Except for the facilities now at our command and which have accrued as a result of modern inventions as applied to transportation and communication, our present-day distribution of wheat and its products is less efficient and productive of greater economic waste than that practiced by the Egyptians in the days of the Pharaohs, away back at the starting point in history. Wheat then, as now, it seems, was one of the prime necessities for human existence. Joseph, the ruler, being a just man and devout, was inspired—possessed genius—to perceive that in the days of plenty wisdom and prudence required that stores of food be laid up against the day of famine. And further, the record informs us, he did build storehouses to store in all the cities great quantities of wheat—he gathered corn as the sand of the sea, very much, until he left numbering, for it was without number. So that when famine spread over the earth, as it inevitably does follow plenty as night follows day, the people from far and near, in searching for food, came to trade with the Egyptians for their wheat. Though Joseph had a monopoly of the visible supply of food of the then known world, history does not record

that the exchange rate was boosted as a result of the "corner," or that he added to the price of wheat all the traffic would stand. On the other hand, this was not an organized charity that the Egyptian ruler was conducting, for, howsoever the motive was founded on a beneficent purpose, we are obliged to accept the view that this garnering of the world wheat supply and the distribution thereof was conducted as a commercial enterprise and marked the inauguration of a commerce with the surrounding tribes, extending even to the tribes far to the north, and which eventually alleviated the suffering and distress of the widespread famine.

In the flight of the centuries following the epoch referred to it is not discoverable that the customs and manner of wheat trading have made any progress, and the only variation in our modern system that is discernible is chiefly in this respect: Accretions in the way of practices and abuses that may be summed up as a cycle of evils originating, emanating, and descending from the days and times and manners of the free-booter, the buccaneer, and the pirate.

Instead of the fictitious values placed on cash wheat from time to time, resulting in market rigging, manipulated markets, and the minute-to-minute variations in price of the futures, causing price fluctuations of the commodity in the course of 24 hours, amounting in instances to 10 per cent of its value, such price changes often being due or ascribed to causes wholly outside the wheat and flour trade, the farmer now is demanding the privilege of dealing in, for, and with his commodity on an equitable, rational, and legitimate basis. The cardinal point of that idea and plan is a single basic price, that for spot wheat, the actual commodity itself, and not for the options on that grain or what it may be worth for future delivery. As to the relative value of so-called December, March, or May wheat as now traded in on the exchanges, that is a matter entirely in the realm of speculation, will be operated and patronized by that element within and without the grain and milling trades which insists upon being accorded the privilege of placing its money on a "play with chance," and in which the farmer, in his capacity as producer, is not at all interested or concerned.

Naturally, this basic-price idea contemplates and would approximate the minimum cost of production of wheat as raised under ordinary farm methods in the heavy wheat-producing areas plus certain arbitrary charges adequate to place the grain in storage at seaboard, lake port, or milling centers, and for storage and interest charges accruing from and after September 1 down to July 1 succeeding, according to when delivery to miller or exporter is made.

No one seriously contends that American manufacturers of grain binders, grain drills, and plows under normal conditions sell their machines in Russia, Argentina, or Australia at prices which, when freights, commissions, and selling costs are deducted, constitute the price plus freight on identical machines sold to American farmers or that those export sales at all times reflect the full cost of manufacturing. If that were the case—no differential as applied to the home market—it is pretty safe to say that either labor and other costs would have to be cut nearly to the European level or all of our factories in those lines inside of one or two years close down or go into the hands of receivers. Instead what actually does transpire is this: The farmer pays for his machinery the manufacturer's price, and that price invariably includes cost of manufacture plus a profit, with the addition of an excess or reserve through and by which the manufacturer is enabled to dispose of his surplus output—the overproduction beyond the home demand—in foreign markets in competition with machinery and goods built and produced on lower cost bases. Hence it is an established policy that goods and, generally, commodities supplied to the American trade are sold outright on a cost-plus basis, while the exportable surplus only is consigned for sale at world-market or bidder's prices, a notable exception being the case of the wheat of the American farmer.

It is manifest to anyone making a study of the situation that if our farming industry is ever to be lifted from its present low estate, and if for the future that great basic industry is to be put on a plane with our great manufacturing and mercantile enterprises and be conducted along sound, economic lines, the present marketing and credit systems governing the production and sale of wheat must be discarded and a wholly different conception thereof adopted. In its stead and place one of two alternatives must follow: Either the Government must take over and work out the problem of distribution of wheat, as was done during the war, or the wheat growers themselves must combine and pool their commodity under a charter from Congress. The latter plan would contemplate the formation of a national merchandising agency under the supervision of a Government commission or under direction of the Department of Agriculture. Its scope would be to serve as the medium between the producer or the local cooperative elevator companies and the millers and exporters, and in pursuance of that purpose would acquire by lease or purchase existing terminal storage facilities in so far as they are necessary and modern from the standpoint of utility. The capital stock would be underwritten by the farmers on a basis of their acreage production of wheat, it being required that upward of 50 per cent of the annual acreage sown to wheat be represented by stock subscriptions before effecting organization. The plan would provide that no wheat be purchased from members when same is delivered, except upon demand, and then at export level, with handling charges deducted. That wheat be sold and delivered only into direct channels of consumption, viz, to millers, food manufacturers, feed merchants, and to exporters. Settlement with members for wheat delivered would be in the order of delivery, upon sale and delivery being made by the corporation to the trade, less whatever cash had been advanced to a member while his wheat lay in store.

The regulation of the selling price of wheat would be identical with that in any other branch of commerce of international scope. Such procedure would be analogous to the following method: From statistics available, let it be ascertained what is the exact proportion of the several outlets for wheat for the last preceding year and for the average of the last three preceding years. Approximately, and for the purpose of illustration, the relative figures of distribution are as follows: Out of every 8 bushels of wheat raised in the United States 1 bushel is retained on farms for seed, 5 bushels enter into domestic consumption, leaving a surplus of 2 bushels to be sold in foreign markets. Under our present system it is the value of the 2 bushels sold in export trade that controls and establishes the price on the 8 bushels, which, in a figurative sense, is our entire supply. But is there any reason under heaven why that principle should continue to govern our domestic prices, aside from the force of long-established custom, which originated under vastly different conditions than now confront the farming industry? To revert to the illustration: The 1 bushel seed requirement may be safely eliminated as a factor entering into the selling price of wheat. We then have to consider the pro-

portion exported, 2 bushels, and the domestic proportion, or 5 bushels, and find the ratio there is 1 to 2½. Average production cost on farms can be determined for each season by September 1, and that cost, or base, would continue in effect for the ensuing 12 months, augmented month by month by carrying charges, commencing September 1. Then adding average freight to seaboard, elevating and cleaning charges, overhead charges, and profit to determine the seaboard base. Now, assuming our seaboard base is \$2.60 per bushel and our export sales of wheat for a prescribed period of two weeks or four weeks average \$2.40 per bushel at seaboard, then under our tentative formula the price of wheat to our domestic trade for a succeeding like period would have to be fixed at \$2.68 per bushel at seaboard. Naturally there are other factors that affect the spread between export and domestic prices, and they would be given due value in determining prices for wheat sold to the domestic trade.

Here the question arises why should the American consumer thus pay tribute, or a tax, for the benefit of the farming industry? Is it not true that that same principle is invoked when we levy a protective tariff on our imports whereby our consumers are restrained from buying the cheaper foreign goods—except the tax thereon be paid—for the benefit of our manufacturing industries? Also, is it not a fact that labor is entrenched behind its trade-unions, with their collective bargaining, fixing their own wage scales and hours of labor per day, to which all employers, including the farmer, must submit and so pay a higher wage cost than if labor were unbound? In both cases cited our experience has proven that they are the concomitants of economic verities and are essential to the welfare of our industries and to the dignity of American labor. With equal force the same principle should be recognized and applied to the distribution of wheat—the prima food necessity of the white race—for the upbuilding of our American farm industry.

In the process of price deflation now going on in our country much superficial talk is going the rounds to the effect that manufacturers, jobbers, and retailers have taken their losses on shrunken inventories, and that therefore the farmer in this crisis should gracefully accept his loss as his quota of common fate. On the floor of the United States Senate, a Member is quoted as saying that losses of other lines of trade were equally as important as those of the farmer, and if the farmer was given a measure of relief, why not pension the unemployed. All such twaddle sounds fine and makes a hit with the unthinking. But pray when, in the past eight years, was there a year when the wheat raiser has not taken a loss from raising wheat, save and except the years 1915 and 1918, when, particularly in the latter year, wheat production reached the grand average of 15.6 bushels per acre throughout the United States, and prices of that year permitted cost and a profit to be realized on the basis of that year's yield.

The plain facts are that the farmer by practicing strictest economies in manner of living, with no indulgence in luxuries common to the middle class in other vocations, and by engaging in a multiplicity of operations all within the confines of his own domain has succeeded at all in adding any increase to his invested capital; but not in all that period has such increase resulted from or could be attributed directly to a profit from raising wheat excepting in the two years mentioned.

Mr. GRONNA. On yesterday a representative from my State arrived in this city having credentials showing his appointment by the Legislature of North Dakota—the legislature now being in session—to present certain data with reference to the conditions in my State. I wish to say that the same conditions exist in the dry area in the State of Montana and in the western portion of the State of South Dakota. In order not to delay the Senate, I will merely state that the State administration of North Dakota has taken action and made a survey of the entire State. The commissioner of agriculture and forestry has taken up the matter with the officers of the various counties, namely, the county commissioners and the county auditors. I have a report covering the entire State showing that out of the 53 counties in my State that there are 35 counties where the farmers need aid in order to enable them to put in this year's crops. There are 53 counties in the State, and 18 counties are found not to be in need of aid. I do not say that all the farmers in the 35 counties need aid, but I have the exact number of farmers who do. There are 8,533 farmers who must have aid if they are to put in a crop this year at all, because the banks of the State are unable to give them further credit and the counties are bonded to the limit and are unable to extend any further aid.

I have here an estimate—and, of course, it is only an estimate—of the amount of money which will be required based upon this number of 8,533. I wish to say that the price for the grain seems to be a reasonable price. It is estimated that there will be required 675,000 bushels of seed wheat, at \$1.65 a bushel, amounting to \$1,084,075; 118,850 bushels of barley, at 60 cents a bushel, amounting to \$71,310; 32,750 bushels of flax, at \$2 per bushel, amounting to \$65,500; 1,200 bushels of rye, at \$1.30 per bushel, amounting to \$1,560; and, together with other grain, the total estimate is \$1,787,042.

Mr. POMERENE. May I ask the Senator a question?

Mr. GRONNA. If the Senator will permit me to complete the statement, I shall then gladly yield to him.

I have made an estimate as to what other States will require. It may not be absolutely correct, but I believe the State of Montana will require at least two and a quarter million dollars, the State of North Dakota will require one and three-quarter million dollars, and the State of South Dakota will require at least one million dollars to help out in this great emergency.

Mr. President, this is no guesswork. I have letters from all the counties in the State, which, of course, I shall not take time to read, but I wish to be permitted to read just one of them. Bottineau County, which a few years ago was the banner county

of the State, now needs Federal aid. The Senator from Wisconsin [Mr. LA FOLLETTE] asks me when do the farmers put in the crops? Unless this measure can be passed very soon it will be too late for those people to put in their crops, because it will take some time for the Secretary of Agriculture to make the necessary arrangements with the county authorities to distribute the funds to provide for the purchase of the seed necessary for seed grain. The letter to which I have referred is as follows:

BOTTINEAU COUNTY,
Bottineau, N. Dak., February 17, 1921.

Senator A. J. GRONNA,
Washington, D. C.

DEAR SIR: On investigation our board of county commissioners find that a larger number of farmers need aid than at first supposed, 340 having asked for aid inside of one week. We estimate that the total number needing aid will be at least 600.

The situation will be desperate if we do not get Federal aid, as the banks are not in a position to loan a dollar. Aid must come from somewhere outside the State or thousands of farms in the spring-wheat belt will lay idle this season. Failure to raise a crop will send thousands of farmers out of the Northwest this coming season never to return.

On receipt of this, please wire me what the present prospect is of the bill going through that will give us aid. I ask this at the request of the chairman of our board.

Would wire you for this information, but the blizzard yesterday put the wires out of commission, and I can't get a message out for a day or so.

Hoping to hear from you favorably, I am,
Very truly,

WM. M. MARTIN,
County Auditor.

That is only a sample of the letters which I have received from the other counties of the State. Now I yield to the Senator from Ohio.

Mr. POMERENE. Mr. President, the question I had in mind to ask the Senator from North Dakota was suggested by the figures which he gave out. He had stated certain estimates of the amount of wheat and flax and barley seed which would be needed. The question I intended to ask then was whether or not the estimate came from the Agricultural Department or what was the source from which the Senator gleaned the information?

Mr. GRONNA. The information comes from the agricultural department of the State of North Dakota, from our commissioner of agriculture and forestry. A representative was appointed by him, who came here yesterday morning and brought me these data. The name of this gentleman is M. O. Hall, of Mohall, N. Dak.

I have taken the matter up with the Agricultural Department, I will say to the Senator, and the Agricultural Department, of course, is favorable to it. I have the Secretary's letter, but I do not wish to take up the time of the Senate to read it now. I will only say that the Secretary states that it is for the Congress to take such action as it sees fit, but he also states that he knows an emergency exists and that something ought to be done to relieve the situation.

Mr. President, it is not a pleasant duty for a Representative from any State to acknowledge that his people are in such financial embarrassment as is here indicated; but this is the true condition, and unless aid is extended in the form of a loan, thousands of farmers will have to leave their farms.

I might add that the Government of Canada has men throughout the Northwest who are encouraging people to come to Canada, and statements have been made to them that the Government of Canada will not only furnish them seed but help them to purchase live stock. It seems to me that the Government of the United States ought to be willing to extend its credit to the extent of \$5,000,000 to these poverty-stricken people.

Senators will all remember that two years ago the Senator from Kansas [Mr. CURTIS] and other Senators were interested in an exactly similar question. The western portion of Kansas at that time had suffered a number of crop failures. A loan was made to those farmers; and I wish to ask the Senator from Kansas if it is not true that practically all of that loan has been paid back into the Treasury of the United States?

Mr. CURTIS. Mr. President, in reply to the question of the Senator from North Dakota, I will say that I presented the data at the last session of Congress, and my recollection is that the contributions of those who produced over 15 bushels of grain to the acre practically made up the loss of those who produced less than 5 bushels to the acre. This was true in the division in which Kansas and Oklahoma were located. I did not have the data for the other districts.

Mr. GRONNA. Mr. President, that is as I understand it. All we ask for here is a loan of \$5,000,000 to go to this vast area. In some counties the farmers have had a failure for the last five years.

Mr. President, if there is any other question that any Senator wishes to ask me, I am perfectly willing and glad to give any

information that I can, as I have a great deal of data here before me and a great many letters. In order to expedite the matter, however, I shall not take any more time of the Senate this morning, but simply ask for a vote upon my motion to take up the Agricultural appropriation bill.

The VICE PRESIDENT. The question is on the motion of the Senator from North Dakota.

Mr. TOWNSEND. On that I ask for the yeas and nays.

Mr. MYERS. Mr. President, I understand that there is a contest about which measure shall be taken up first—the Agricultural appropriation bill or the railroad indemnity bill. I know that both bills are very important, and I am in favor of the Senate remaining in continuous session until both the bills shall have been passed this week.

The VICE PRESIDENT. Is the demand for the yeas and nays seconded?

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. CURTIS (when his name was called). On this vote I am paired with the Senator from Texas [Mr. CULBERSON]. In his absence, I withhold my vote.

Mr. FERNALD (when his name was called). I have a general pair with the junior Senator from South Dakota [Mr. JOHNSON]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

The roll call was concluded.

Mr. OVERMAN (after having voted in the affirmative). I observe that my pair, the senior Senator from Wyoming [Mr. WARREN], is absent. Not being able to obtain a transfer, I withdraw my vote.

Mr. TOWNSEND (after having voted in the negative). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON], which I transfer to the junior Senator from New Hampshire [Mr. KEYES], and will let my vote stand.

Mr. WATSON (after having voted in the negative). My general pair, the senior Senator from Delaware [Mr. WOLCOTT], is absent, but I am informed that if present he would vote as I have voted. Therefore I will permit my vote to stand.

Mr. HENDERSON. Has the junior Senator from Illinois [Mr. MCCORMICK] voted?

The VICE PRESIDENT. He has not.

Mr. HENDERSON. Announcing my pair with that Senator, I transfer it to the Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "yea."

Mr. GLASS. I have a general pair with the senior Senator from Illinois [Mr. SHERMAN], which I transfer to the junior Senator from Massachusetts [Mr. WALSH] and will vote. I vote "yea."

Mr. HARRISON (after having voted in the affirmative). I find that I have a pair for the day with the junior Senator from West Virginia [Mr. ELKINS], and, as I am unable to obtain a transfer, I withdraw my vote.

Mr. KENDRICK (after having voted in the affirmative). Has the Senator from New Mexico [Mr. FALL] voted?

The VICE PRESIDENT. He has not.

Mr. KENDRICK. I have a pair with that Senator. In his absence, I am obliged to withdraw my vote.

Mr. POMERENE. I have a general pair temporarily with the senior Senator from Iowa [Mr. CUMMINS]. I transfer that pair to the junior Senator from Utah [Mr. KING] and will vote. I vote "nay."

Mr. SMOOT. I have been requested to announce that the Senator from Pennsylvania [Mr. PENROSE] is paired with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 35, nays 36, as follows:

YEAS—35.

Ashurst	Gore	La Follette	Sheppard
Borah	Gronna	Lenroot	Simmons
Capper	Harris	McCumber	Smith, S. C.
Chamberlain	Hedlin	McKellar	Sterling
Fletcher	Henderson	McNary	Swanson
France	Johnson, Calif.	Norris	Thomas
Gay	Jones, N. Mex.	Phelan	Tammell
Glass	Kenyon	Pittman	Walsh, Mont.
Gooding	Kirby	Ransdell	

NAYS—36.

Ball	Gerry	Nelson	Smoot
Beckham	Hale	New	Spencer
Brandageo	Jones, Wash.	Phipps	Stanley
Calder	Kellogg	Poinexter	Sutherland
Colt	Knox	Pomerene	Townsend
Dial	Lodge	Reed	Underwood
Dillingham	McLean	Shields	Wadsworth
Fernald	Moses	Smith, Ga.	Watson
Frelinghuysen	Myers	Smith, Md.	Willis

NOT VOTING—25.

Culbertson	Edge	Harrison	Kendrick
Cummins	Elkins	Hitchcock	Keyes
Curtis	Fall	Johnson, S. Dak.	King

McCormick	Page	Smith, Ariz.	Wolcott
Newberry	Penrose	Walsh, Mass.	
Overman	Robinson	Warren	
Owen	Sherman	Williams	

So Mr. GRONNA's motion was rejected.

PAYMENTS DUE RAILROAD COMPANIES.

Mr. TOWNSEND. Mr. President, I move that the Senate proceed to the consideration of the so-called partial payment bill to the railroads, being the bill (H. R. 15836) to amend the transportation act, 1920.

Mr. GRONNA. Mr. President, in view of the action taken by the Senate, I hope I may have the unanimous consent of the Senate to pass as a separate measure the item carried in the Agricultural appropriation bill providing for a \$5,000,000 appropriation. By a unanimous vote I was authorized by the Committee on Agriculture and Forestry to report out the bill, and also to insert the provision in the agricultural appropriation bill. I desire to be permitted to have the bill read at the desk. I do not think it will take any time at all.

Mr. TOWNSEND. Mr. President, I should like to have my motion put, and then, after the motion has been agreed to and while the bill is pending, I shall be willing to listen to what the Senator has to say. I have no disposition at all to delay any of the business of the Senate, and I do not propose that anything I shall do, or anything done by any other Senator, in so far as I can prevent it, shall delay matters, because I am just as much in favor of passing the Agricultural appropriation bill as is the Senator from North Dakota, and we are going to pass it. My object in moving to take up this bill was stated the other day, and stated in good faith.

Mr. GRONNA. I will say to the Senator from Michigan that what I am asking can be done only by unanimous consent.

Mr. TOWNSEND. Let us get the partial payment bill before the Senate. I should like to have a vote on that proposition, and then I shall be willing to yield for unanimous consent if there is no objection to the Senator's request.

The VICE PRESIDENT. The motion of the Senator from Michigan, of course, is the motion that is in order now.

Mr. TOWNSEND. Yes; that is what I understand.

The VICE PRESIDENT. The question is on the motion of the Senator from Michigan.

THE PATENT OFFICE—CONFERENCE REPORT.

Mr. NORRIS. Mr. President, I understand that that is a debatable question, and before the vote is taken I wish to say just a few words.

I have not been able to give to the bill that the Senator from Michigan has moved to take up the attention that I admit it deserves for the purpose of reaching a conclusion as to my own vote. I do not know now whether I shall vote for the bill or against it. I may not be able to be here when it is voted on; but I might say that for the reasons that I have stated, and that I shall give, I intend to vote against the motion, although it is perfectly apparent that it will prevail, because the Senate has just voted down a motion to take up an appropriation bill.

I have heretofore called the attention of the Senate to a conference report that is before the Senate on H. R. 11984, the bill providing for the reorganization of the Patent Office, to increase the force and the salaries of the employees of the Patent Office. The Patent Office is in a state of collapse right now. It is in a deplorable condition. The Patent Office bill has been under consideration by the Patent Committees of the House and the Senate for nearly a year. In all respects, until we reached the conference report, the action of the two committees was unanimous.

I realized a day or two after the conference report was made to the Senate that there was to be a filibuster against the conference report. It is very likely, perhaps probable, that the forces against it will defeat the conference report. It has been acted on by the House and approved by them.

I voted with the Senator from Michigan [Mr. TOWNSEND] to take up the Post Office appropriation bill. I was one of the Senators who believed from the beginning that we ought to clear the decks of the appropriation bills. The Senator from Michigan finally succeeded in getting up the Post Office appropriation bill, and it has been disposed of. I voted to-day to take up the Agricultural appropriation bill. The Senate has decided not to take it up. It has seemed to me, Mr. President, that in all fairness the Senate ought to vote on the conference report on House bill 11984, the Patent Office bill.

I do not ask, and can not be expected to ask, that the conference report be approved, but I have a right, in all fairness, it seems to me, to ask that it be voted on. I have said before, and I repeat now, I am willing, if a time can be fixed for voting on it, that those who are opposed to it may fix the time. I

am willing to vote on it without any argument whatever. I am willing to do anything which will bring about a decision of the question. It means a great deal to the Patent Office. Now, it seems that the Senator from Michigan, on the question of getting appropriation bills out of the way, has changed his mind.

Mr. TOWNSEND. Mr. President, I am sorry the Senator was not here last Saturday evening.

Mr. NORRIS. I am sorry too. I was not able to be here.

Mr. TOWNSEND. I explained my attitude fully on that question. I have been in favor of taking up appropriation bills. I was very much opposed to the wasting of the time of the Senate for days and weeks in the consideration of a bill which I knew, and everybody knew, was vain.

Mr. NORRIS. I agree with the Senator entirely.

Mr. TOWNSEND. Now, we have reached a point in the consideration of the legislative business of the Senate when the bill which I have moved to take up now must be acted upon promptly, the great majority of Senators feeling as I do about it, that it is necessary that it should be enacted now, if we are to get it on the statute books.

I have thought, too, to ask the Senate to remain in session, not only for the purpose of getting action on the conference report the Senator has in charge, but on any other measure which should be enacted, and if necessary to remain in continuous session. I am for that policy; but I have felt that this railroad bill ought to be taken up, because a large majority of the Senate are in favor of it, as was a large majority of the House, which has passed it. So I thought that if we got it before the Senate, those who felt they wanted to make long speeches upon the subject should be given an opportunity to do it, in order that we could pass it possibly by to-morrow night.

Mr. NORRIS. Mr. President, I am not finding fault with anything the Senator from Michigan has said. I do not know as to the merits of that particular bill, but I know that what he said, he said in good faith, and I am not complaining about it at all. But there has always been, I think, a justifiable feeling that when a bill has progressed so far that it has reached the stage of a conference report, it ought to be passed on. In the House of Representatives the motion to take up a conference report is a privileged motion; but it is not in the Senate. When a Senator says that he wants to take a conference report up, under ordinary circumstances that is done. This particular case is rather an exception to that rule.

All Senators have a general knowledge of most of the bills, but they have not so much of a detailed knowledge of the Patent Office bill. To some extent it is technical. The Committee on Patents of the Senate were unanimous in reporting the bill to the Senate practically in the form in which it now is. Since that time one of the members of the committee, who was one of the conferees, has changed his mind, so that the conferees agreed 5 to 1 on this report. If I were not able to be here, the Senator from Pennsylvania [Mr. Knox] would perhaps be the only Member on this side of the Chamber who could take charge of the conference report, and if he felt that he was sufficiently familiar with the details of it, I would not care if it were taken up and debated as long as anyone wanted to debate it. But I think he feels that because of the greater time I have given to it, I ought to be here, and I realize that I should be here. When it is said that it will be taken up and continued from day to day, in this particular case, as far as I am concerned, it does not mean very much, because I can not be here every day, and if I knew when the vote was coming, I would arrange, if I could, to be here to vote.

I only appeal to the Senate that between now and the 4th of March there shall be a vote on this conference report. I am willing now, and I have been all the time, to agree that the vote should be taken on the 3d day of March or any other time between this and that. I do not believe we ought to take up the railroad bill when this conference report is ready to be taken up, as it has been for some time. I realize it would be useless to take it up after this bill is laid before the Senate.

So I feel that I am justified in breaking the policy of letting appropriation bills have their way all the time, since the Senate has refused to take up an appropriation bill for the purpose of taking up a bill that is not an appropriation bill.

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield.

Mr. SMOOT. I want to say to the Senator that if he will recall the conference report and strike from it the old section 9, which is in the conference report section II, referring to the Federal Trade Commission accepting patents and virtually entering upon the patent business, I will not have an objection to the con-

ference report. If the Senator desires now to assist the Patent Office in getting the additional force and increased salaries and all they have been asking for, as far as I am personally concerned, if he will withdraw the conference report and the conferees will disagree to section 11 of the conference report, I shall not have any objection whatever to its passing immediately.

Mr. NORRIS. Mr. President, let me say a word in regard to section 9 of the bill and what in the conference report is section 11. It is a provision which when printed will not be much longer than a man's finger, and it provides that any employee of the Government having made an invention or obtained a patent can turn it over, if he desires, to the Federal Trade Commission.

The Federal Trade Commission is authorized to license corporations or individuals or partnerships to manufacture patents on the terms fixed in the license. The license fee is to be paid into the Treasury of the United States, and out of that sum so paid into the Treasury of the United States the President is authorized to give what, in his judgment, he thinks is a fair and proper compensation to the employee who made the invention.

It is not compulsory upon the part of the employee to turn it over. He can do it if he wants to, and need not do it if he does not want to. He can do what they do now, which means nothing, practically, on the part of the employees. If he desires to turn it over, the Federal Trade Commission can still refuse to accept it, if they think it would not be for the public benefit for them to do so. That, in substance, is the provision of section 11 in the conference report or section 9 in the bill.

Mr. President, in my judgment a great deal of good will come from that particular provision. Let me say, first, that a provision a little broader than I have stated it, and broader than that in the report, was passed as a separate bill in the Senate. That bill provided that any person, whether he was a Government employee or not, having such an invention, could turn it over, if he desired, and they desired to accept it. Later on, when this House bill was up for consideration in the Senate, I offered that amendment to the bill, a committee amendment. There was a unanimous report from the committee originally, when it was broader than it is now, after extensive hearings, and it was put into the bill, but narrowed down so that it applied only to employees of the Government. In that shape it went to conference. The conferees narrowed it still further, very properly, I think, by excluding from it the employees of the Patent Office. So that as it stands now it applies to employees of the Government excepting employees of the Patent Office.

Mr. JONES of Washington. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. NORRIS. I yield.

Mr. JONES of Washington. While it does not strike me just right that the Federal Trade Commission should be permitted to take over patents, I want to ask the Senator if there is any provision in the bill under which, after it has taken a patent over, it can go to developing the patent. For instance, if it is a machine, is there anything that permits them to go to manufacturing it?

Mr. NORRIS. No; there is not.

Mr. JONES of Washington. Would it not have to come to Congress for appropriations and further authority before it could go into actual manufacture of a patent?

Mr. NORRIS. Yes. Mr. President, when the bill originally passed the House and came back, and that was offered as a committee amendment, that objection was made to it. The committee never had that idea. We did not believe that the language permitted it. But to show that we did not want to do anything of that kind ourselves, we struck out of the original bill the language which, it seemed to me and to other Senators, would raise the question at least whether it did give it. We struck that out, and we added an affirmative provision, which is now in the bill, which strictly provided that under no circumstances would anything herein give authority to them to manufacture a patent or go into the business in any way.

Mr. REED. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. REED. At the present moment Government employees have the same opportunity as the ordinary citizen to take out patents, have they not, outside of members of the Army and Navy?

Mr. NORRIS. Technically that is possibly true. Let me show what happens in that connection. The particular employees of whom the committee were thinking more than any others were those in the Bureau of Chemistry in the Department of Agriculture, in the Bureau of Mines, and the Bureau of Standards. Most of those men are wedded to their profes-

sions. They are scientists. In the Bureau of Chemistry, for example, an employee, we will say, discovers an improvement on existing conditions in some step in the manufacture of some article—fertilizer, for instance. Standing alone, it would not be a practical proposition, but must be used in connection with other things that are now used by those who manufacture fertilizer. These men do not care for the money, for, if they did, they would all resign from the Government service and all get increased compensation for their services in other fields. They are interested in having their improvements put into actual practice, and sometimes it comes about in that way.

But what happens? If they throw one of these open to the public, as they usually do, it may on the face of it be a laboratory proposition which will work out in the laboratory to perfection, but it is often found when they come to carry on the laboratory test in the commercial world and manufacture the product in commercial quantities that it does not work. It requires a great deal of experimentation and involves a great deal of expense. If it is open to the public, and some individual or corporation in the business expends the money, perhaps several hundred thousand dollars, in experimentation and in constructing the necessary machinery, and so forth, to manufacture it, and it works, it is open to their competitors to get the same advantage of it without expending any money. The result is that as a practical proposition a patent or an invention of that kind is not developed at all. Unless they will have some protection, a concern will not expend the money that is necessary to develop it.

If this particular proposition were a law, and the Federal Trade Commission were given the authority that is herein provided, they would protect the country and the people in it by proper license that would give to the person or the corporation that did develop it a monopoly, the same as a patent does, or a monopoly at least to the extent provided for in the license.

Mr. REED. Will the Senator yield again?

Mr. NORRIS. Certainly.

Mr. REED. I think that in asking the question a moment ago whether all employees of the Government except those in the Army and Navy could take out patents, I should have said all except the employees of the Patent Office.

I do not wish to prolong the debate, because there are bills here that ought to receive attention, but if the Senator will permit me just a moment I desire to say that every argument he has made with reference to the employees of the Government not being able to protect their patents or to have their patents tested out applies to every inventor in the country. He has exactly the same difficulty. He has the opportunity to take out a patent and the employees of the Government have the same opportunity. If the outsider, the ordinary citizen, takes out a patent which is a mere improvement, adopting the illustration of the Senator, then he has the same difficulty in having that improvement tested exactly as he would have, no greater and no less, if he happened to be an agent of the Government.

I wish to say this and then I shall not further interrupt the Senator. The bill will not go through at this session with section 11 in it if I can prevent it. I will not by my vote, so far as it counts, confer on the Federal Trade Commission any such authority as is here proposed. I will not, so far as my vote goes, confer this authority on the President. I am utterly dissatisfied, not to say disgusted, with the process of legislation which we adopted, perhaps not without reason, during the war, of Congress shifting all its burdens over on the President and saying that the President can do this or that or the other thing. If we propose to turn over to the President of the United States the details of looking after patents, it will not be very long until he will be required to examine nursing bottles and things of that kind. It is not his business and ought not to be imposed upon him.

I wish to see the Patent Office bill pass in so far as it permits payment of proper compensation to the men in the Patent Office, for I understand the pay there is very inadequate, at least as to certain of the experts whose services we need to retain; but I am not, so far as I am concerned, going to pay the price of putting the patent business into the hands of the Federal Trade Commission or into the hands of the President, and I am not, so far as I am concerned, going to adopt the principle of licensing by the Federal Government in this country, special licenses to special people, by a board as incompetent to pass upon patents as I am to pass upon music, and I could not to save my life whistle Yankee Doodle so that anyone could recognize it. The Federal Trade Commission has been a failure in everything it has undertaken except the mere collection of statistics, and we have to check those up.

Mr. NORRIS. Mr. President, the Senator makes one objection to the particular provision with which I agree. He does

not want to confer upon the employee of the Government a privilege that he does not confer upon the ordinary citizen. As I introduced the bill originally, and as it originally passed the Senate, it was not limited to employees of the Government but applied to everybody. If I had my way, it would be that way still, although if Senators would take the time to look it up they would find that 90 per cent of the business with which this would have to do would apply to employees of the Government, and particularly those three branches I have mentioned. If they do not want to do it, they are not compelled by the bill to do it. It is done with the idea of putting into practical use thousands of inventions and patents that go into pigeonholes of corporations and individuals that already have a monopoly of their particular line, or nearly so. That is the object of it.

Now, the Federal Trade Commission, a year or perhaps longer ago, when the first joint hearings were held by the two committees, was considered in this connection. We realized that there was a prejudice in the Senate on behalf of some Senators against the Federal Trade Commission. I do not share that prejudice. I think it is one of the best commissions and has done some of the best work of any of our bureaus, commissions, or departments of the Government. I do not share in that feeling of prejudice.

We said all the way through, "Who will take it? Where shall this power be lodged?" It was suggested originally, when the bill was first up for discussion, I think by the Senator from Utah [Mr. Smoot], that it ought to be given to the Secretary of the Interior. I would rather have it there than not have it at all; but everybody knows that in the various departments of the Government where these scientific bureaus exist there is a prejudice against other departments of the Government. If we put it in the control of the Secretary of the Interior there would be a certain prejudice existing in the Department of Agriculture from the Bureau of Chemistry, so it would not do to put it in either place. I have asked in the hearings where it could best be placed, and suggested that it go to various other places, and other members of the committee have done the same thing.

We did not care to place it in the Federal Trade Commission because of a desire to confer on the Federal Trade Commission more jurisdiction, but when we came to narrow it down it was found that there is no other place to put it unless we provided for a new and independent commission, which we did not think Congress wanted to do and which we did not want to do. The Federal Trade Commission is not under the jurisdiction of any department. It is under the jurisdiction of Congress. It is similar to the Interstate Commerce Commission, and everybody would concede that it ought not to go there.

Another thing. During the war, when we took over the German patents, this authority was by the trading with the enemy act lodged in the Federal Trade Commission, and they have had charge of that work from the time the act was passed until the work was completed, and have been successful in it. Those who have received licenses from them have, as far as I know, without any exception, testified to the efficiency that was manifested. It resulted in turning over to the Treasury in that short time fees of more than a million dollars.

Mr. REED. Were they not on foreign patents?

Mr. NORRIS. Yes; confined mostly to German dyestuffs.

Mr. REED. Approved foreign patents which our people had to use, and all they had to do was to select the one they wanted to use?

Mr. NORRIS. They had to do a little more.

The person to whom a license was issued had to do the experimenting that I have mentioned. Although they had before them the patent itself and everything pertaining to it, they often found it would not work when they endeavored to carry it out. The difference between success and failure might be in the mixing proposition, the difference between mixing at 200 revolutions a minute and 1,000 revolutions a minute. So there were a lot of experiments that had to be carried on. The licensees had to expend their money to do that, and I do not know that they succeeded even then in all cases. I am rather inclined to think that they did not. But there never was, so far as I have been able to discover, a single complaint made in the administration of that part of the trading with the enemy act by the Federal Trade Commission.

All that the Senator from Missouri has said or that anyone else can say does not do away with the proposition that the Senate ought to be permitted to vote on the proposition. If Senators think the conference report ought not to be agreed to, let it be voted down. If we had had a vote long ago when I had the matter up, there would have been plenty of opportunity for the conferees to get together and reach some agreement, but I have been blocked every place and every time I have tried to bring it up, not so much as to its consideration as to prevent a vote at all. In common justice that ought to take place, no

matter what Senators may think in regard to the merits of the measure.

Mr. President, it is not my purpose further to defend the Federal Trade Commission. If there were any other body in whom the power could be reposed where the objection would not apply, I should be glad to have that body selected. Let me call the attention of Senators now to the objection which was made by the Senator from Utah [Mr. SMOOT] and the Senator from Missouri [Mr. REED] and compare the objections made at the time we passed the bill with their present position. At the time we passed the bill with this amendment in it the objection made by the Senator from Utah and a few other Senators was practically confined to the increase of salaries and the increase of employees. Now, the same Senators say, "We have not any objection to that feature of the bill," although the provisions of the conference report in that respect are the same as those of the bill when it was originally reported to the Senate. It is now discovered, however, that, after all, the objection is to section 9 as the bill was originally framed, or to section 11 as it is now. At least that is an inconsistent attitude for Senators to assume.

The facts are, Mr. President, that when we had the hearings it was there disclosed, without any question, that the man who now makes an invention or an improvement in connection with some particular article that is being manufactured can be absolutely robbed of it under existing law unless he has sufficient money to back him up in making two trips to the Supreme Court of the United States. Those who are opposed to this legislation, including some patent attorneys representing great corporations which are opposed to it, admit that. If I make or some other person makes an invention as to the legality of which, let us assume, for the sake of argument, there is no question, and some very wealthy individual, partnership, or corporation infringes it with impunity, what is the remedy?

In the first place, the inventor would begin by an injunction restraining them. He would start in the district court of the United States; he would, we will say, win the case there. It would then be taken to the court of appeals. He would win it again, and the case would go to the Supreme Court of the United States. Admit that he wins his case there, then what? The next action is one of damages for the infringement. So he commences a new action in the district court of the United States. A commissioner is appointed to take testimony, and he follows him, perhaps, all over the United States. When he gets through there, the case is again taken to the court of appeals. After he wins it there it again goes to the Supreme Court of the United States.

One of the greatest patent attorneys of the United States in making an argument on the bill was asked the question, "What will a man who is not wealthy do with a valuable patent which is infringed with impunity by somebody who is wealthy?" He said—and they all agreed to that—there was only one thing for the inventor to do, and that was to sell his patent for whatever he could get, because otherwise he would be worn out in the courts, even though it were conceded that his patent was valid. While the hearing was going on a representative of the Bell Telephone Co. who was present immediately rose at that point and said: "I wish to give the assurance that anybody who makes an invention pertaining to the telephone may sell it to the Bell Telephone Co." In that case, however, the Bell Telephone Co. fixes the price; it is absolutely supreme. If it buys an invention and finds that it is more profitable to suppress it than it would be to use it, that company having, to a great extent, a monopoly of the telephone business, would suppress it. Therefore, the inventor will be compelled to accept whatever the telephone company will pay to acquire an invention and suppress it in order to prevent competition in their line; in other words, the very theory on which a patent is granted in this country is subverted to a purpose entirely contrary to that intended. The Government gives a monopoly to a man who makes an invention on the theory that it will be used by the people; but if some one who is already in the business can make more money by suppressing it than by utilizing it—and that is very often the case; there are thousands of patents which are now suppressed and have been suppressed for years—it is not used, and the very monopoly that the people give for their own benefit is used to their own detriment and expense.

This proposed legislation will not completely remedy the present situation, but it will do so to a great extent; it is one step in that direction.

I wish to say again that if the proposed legislation is passed as it now stands, increasing the salaries of those employed in the Patent Office, it will not cost the taxpayers of the United States

a cent. The measure provides for an increase of fees that will more than cover the additional expense.

Of course, I can not find fault with Senators who are opposed to the legislation; that is their privilege and right; but I do again say, Mr. President, that the Senate ought to be allowed to vote on the proposition. It looks as though, in view of the fact that we were nearing the end of the session and there are a number of appropriation bills as yet not passed which ought to receive at least the fair consideration to which they are entitled at the hands of the Senate, that unless some agreement can be reached by which a vote may be had on the conference report, it will be defeated merely for the reason that we are not able to get a vote upon it.

Mr. REED. Mr. President, if what the Senator from Nebraska has just said is correct, namely, that patents are issued and then bought up and suppressed by interested parties, this bill will not remedy that difficulty. If the Senator's position is right in regard to the matter I have just mentioned, then this bill ought to provide that all patents applied for shall take the same course as the patents which may be applied for by a few Government employees. There is no argument the Senator has made in favor of taking over the patents of Government employees that does not apply to every patent application filed in the United States Patent Office. It is an attempt to take a class of people already in the employ of the Government and put them under a particular governmental protection, and to do that when, as a principle of equity, their inventions, made through their contact with the Government business for which the Government pays them, ought of right to belong to the Government. If an employee of the Bureau of Standards investigating a problem which the United States employed him to investigate discovers some improvement through the use of the very instruments and chemicals and materials of the Government, it is a question in my mind whether, under the law, that discovery does not belong to the Government. I would be perfectly willing to permit such a man to take out a patent, because it would stimulate him to exertion, but when he takes out his patent he ought to stand on the same footing as other men. If I draw a Government salary and John Smith is working in a garret, I ought not to take any advantage over John Smith because I already have the advantage of a Government place.

The talk about these men being too sensitive to apply for a patent or to sell it, is all right coming from the Senator from Nebraska, for whom I have the most profound respect; he is a man of such keen sensibilities and of such idealism that a consideration of that kind might interfere with him if he were working for the Government; but I think he stands in a class entirely by himself; I do not think there is another man of just that kind in the world. I should like to be introduced to the man who comes down to Washington and gets a Government job because it is the best job he can find—and that is the reason he comes here—and who then is suddenly lifted above the sordid sphere of earthly action so far that he would not take a patent on something he had invented and sell it to the highest bidder for cash in hand. I should like to be introduced to the gentleman; I should like to examine him and find out how far his wings have grown and how soon he will be ready to take his flight into the higher heavens. There is not anything in it.

If there is anything to this bill, it is the camel's nose under the tent; it is the proposition of initiating a system of governmental licenses which is being clamored for so much just now. There are men who would have every great business licensed, and that, of course, means in itself the control of all small business; but in a little while they will find the small business licensed, and in a little while this Government, founded upon the principle of individual liberty, will be a Government more thoroughly controlling the action of the individual than any tyranny that has ever disgraced the scroll of history.

There can be a tyranny under a republic in name just as well as under an autocrat. Tyranny consists in the Government depriving the individual of his natural rights. It does not make any difference whether that government is called a republic or a democracy or a monarchy or an empire. All such bills come forward as beneficences; they are supposed to be for the sake of some reform, some benefit; but when analyzed it comes down to this, that almost every time we pass a law we are taking over more power to the Government.

Now, let us see. The patent laws have been on our statute books since the very dawn of our national existence. Under them hundreds of thousands and millions of patents have been applied for. They are open to all the citizens of the United States alike, to the Government employee and to the man who has to make his own living by his own exertions. Why should the Government employee be singled out for special protection

and benefit? Above all, why should we vest in the Federal Trade Commission the authority that is placed in it by section 9 of this bill?

The Federal Trade Commission is to take over these patents. The Federal Trade Commission is to license and collect the fees and royalties. The President is to fix the amounts, and of the total amount of such fees and royalties so deposited a certain per cent, to be determined by the President, is to be reserved and set aside and appropriated as a special fund to be disbursed as directed by the President to remunerate the inventors.

Mr. President, if the Senator from Nebraska wants this bill passed in order to protect the Patent Office, to keep the experts who are there, I want to aid him in that; but this section has no business here. If this scheme is to be entered upon, let it be brought forward as a separate bill, and let the Congress have an opportunity to consider it upon its merits.

PURCHASE OF SEED GRAIN.

Mr. GRONNA. Mr. President, I wish to say another word with reference to the vote just taken. I assume that it was not a vote against the Agricultural appropriation bill, nor against any particular item in that bill, but that it was thought best to consider the railroad bill before the Agricultural appropriation bill is taken up.

Of course, I gracefully submit to the majority of one; but before the vote is taken upon the motion to take up this bill I want to say to the Senate that a serious emergency exists, and if the bill which I shall ask permission to report can be disposed of to-day and sent over to the other House we can be assured of its passage during this session of Congress. The Agricultural appropriation bill may or may not be passed. It may fail; but I hope there will be no objection to the report which I shall present, either now or after the bill has been laid before the Senate, because I know of no reason why there should be opposition to it.

There can not possibly be any good reason for opposition to an emergency bill such as this, where 8,533 farmers in one State alone are without seed grain. In the State west of us, the State of Montana, a more serious condition exists. In the State south of us a serious condition exists in the western portion of the State. All that we are asking is for the Government to loan its credit or its money for one year to supply these unfortunate people with seed grain.

Mr. THOMAS. Mr. President, may I ask the Senator what the States themselves have done, or are attempting to do, in supplying their citizens with seed grain?

Mr. GRONNA. I will say to the Senator that in certain counties in my State we have had a crop failure for five years. In the State of Montana I believe they have had a failure for some three years on account of drought. The counties, as I understand, during some of these years have furnished the settlers and the farmers with seed grain. The banks in many instances have furnished credit, not only for seed grain, but credit for other purposes; but the situation is such that the banks are absolutely unable to extend any further aid, and so are the counties, because they are bonded to the limit. It is proposed in this bill to take a seed lien, which in all these States becomes a prior lien.

Mr. THOMAS. Yes; I have read the bill.

Mr. GRONNA. And I do not believe that the Government will sustain any great loss.

Mr. THOMAS. I have no doubt that next year or the year after Congress will be besieged to release these liens. That is generally the next step in a matter of this sort. We had occasion in our State once before to meet this situation, and our people then themselves furnished the farmers with seed grain. It seems to me to be a purely local matter. While the need may be very great, and doubtless is, it is the establishment of another precedent here that will lead to the continued expansion of Government aid for all the misfortunes of mankind.

Mr. SMITH of Georgia. Mr. President, if the Senator will yield to me, I wish to assure him that the vote against taking up the Agricultural appropriation bill was not, on the part of a number of Senators who voted against it, in any spirit of hostility. I among others had promised to vote to take up the railroad bill next, not knowing that the Agricultural bill was coming up; and really I believed it was desirable to take up the railroad bill and get it out of the way, feeling absolutely sure that the Agricultural bill would come up promptly and be disposed of.

Mr. TOWNSEND. Absolutely.

Mr. SMITH of Georgia. I hope we will stay here with the railroad bill until we pass it if we have to sit all night, and if there is any effort on the part of Senators to check it by unnecessary talk, I hope we will sit and listen until they get tired. I

want to say further that I shall vote next to take up the Agricultural appropriation bill.

Mr. GRONNA. I thank the Senator. I have just stated that I do not believe the vote recently taken was based upon any hostility to the Agricultural bill. It was simply because a majority of the Senate wanted to take up the railroad bill at this particular time.

Mr. KNOX. Mr. President, will the Senator yield for just a moment?

Mr. GRONNA. Yes.

Mr. KNOX. I want to say to my friend from North Dakota that in voting not to take up the Agricultural bill at this time I was inspired by no antagonism to that bill. The Senator, of course, does not pretend that he alone is sympathetic with the needs of the agricultural classes.

Mr. GRONNA. I have never made that statement.

Mr. KNOX. No; I am sure the Senator did not, and I do not think he assumes anything of the kind.

Mr. GRONNA. If I did, the farmer would be worse off than he is now.

Mr. KNOX. I think not; but that is all right. I want to say, however, that in my own State we have 202,000 farms, which I suppose is four or five times as many farms as there are in the State of North Dakota, and the value of the agricultural products of Pennsylvania is between four and five hundred million dollars.

There seems to be a rather superficial impression in some quarters about my great State. People imagine that it is practically a State of urban population. It is one of the greatest agricultural States of the Union. I think we raised, according to the last census, some 30,000,000 bushels of wheat. Of course, that is nothing like the fertile plains of North Dakota produce, but I presume North Dakota concentrates principally on the raising of wheat, whereas our agricultural products are varied.

I am going to support the Agricultural bill in practically every detail, and I want the Senator to understand it.

Mr. GRONNA. I thank the Senator. I am sure he will do so. I want to say to him, though, that the condition is somewhat different in my State. We raise grain and cattle exclusively. We have no manufacturing. We have very little mining. We shall in the future have mining, but we have not mining at this particular time; and for that reason this is a matter that affects every farmer and business in the State, because they all raise grain. In the State which the Senator so ably represents they have more diversified farming.

Mr. KNOX. I appreciate those differences, and for that reason I am disposed to the utmost liberality in dealing with States so situated.

Mr. GRONNA. Then, if it is in order, I will ask unanimous consent—

The VICE PRESIDENT. We must put the motion first.

Mr. GRONNA. Very well.

PAYMENTS DUE RAILROAD COMPANIES.

The VICE PRESIDENT. The question is on the motion of the Senator from Michigan to proceed to the consideration of House bill 15836.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 15836) to amend the transportation act, 1920.

Mr. TOWNSEND. Now, if the Senator wants to ask unanimous consent, I yield to him for that purpose.

Mr. GRONNA. I ask unanimous consent to make a report of the bill which I have sent to the Secretary's desk, and ask unanimous consent for its immediate consideration.

Mr. TOWNSEND. Mr. President, I have stated to the Senator from North Dakota that if it is true that there is to be no debate upon that bill, and the whole Senate is in favor of passing it, as I am willing to vote to pass it myself, I shall not object; but I can not consent to taking up any matter which will delay the consideration of the bill now before the Senate. I have discovered that the only way to legislate here is to legislate, and to proceed with the consideration of the matter before the Senate. I propose to ask, as early as possible, unanimous consent to fix a date, not later than some time to-morrow afternoon, when we can vote on the railroad bill. If that consent is granted, then Senators can proceed, when no one wants the floor on this measure, to discuss or dispose of any bill which they see fit; but until that is granted I can not consent to lay it aside for the consideration of any measure that is going to lead to any debate.

Mr. GRONNA. If I may be permitted to say so to the Senator, I do not believe it will lead to any extended debate. I realize that it is subject to a point of order, and that if one objection is made it will have to go over. I should like to have the bill read, so that Senators may know what it is, and then

If anyone wishes to object, of course he has that right under the rule.

Mr. TOWNSEND. I want to say one thing further in reference to the Agricultural appropriation bill. If that bill fails of passage at this session of the Congress, it will be because of the friends of the bill, those who advocate it. The Senate is not opposed to the Agricultural bill. The Senate wants to consider it, and will consider it if the Senate is willing to stay here and consider the business of the Senate.

Mr. HEFLIN. Mr. President, I suggest to the Senator from Michigan that he prefer now his request to fix a time certain on the railroad bill.

Mr. TOWNSEND. I should be very glad to do that, but the Senator from Wisconsin [Mr. LA FOLLETTE] told me that he does not want to have me to prefer that request at the very beginning, as he thought that after we had run along a little while we could agree to it. I should be glad and had intended to prefer the request now, but I have stated why I can not do so.

Mr. WALSH of Montana. I want to suggest that perhaps it would be agreeable to the Senator from Michigan to have a unanimous-consent agreement carrying a stipulation to the effect that if the bill should lead to debate, the bill would be laid aside on his suggestion.

Mr. SMOOT. Mr. President, I have just been in communication with the Secretary of Agriculture, and he advises me that there have been advanced for the purchase of seed wheat authorized three years ago \$4,199,632.70. That is the amount advanced by the Government of the United States, to be paid back in one year. The United States has collected of that amount, to date, \$1,436,450.51.

Mr. GRONNA. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. I yield.

Mr. GRONNA. The provisions of the bill which passed Congress three years ago were much broader than this. This provides only for the purchase of seed grain.

Mr. SMOOT. That will not make any difference in the payment back to the Government.

Mr. GRONNA. It will make a great deal of difference, because you can always get the best security. The seed lien is the best security you can get. It makes a great difference.

Mr. SMOOT. Mr. President, just one-third of the amount has been paid back in three years. The legislatures of nearly all the States are in session, and it seems to me the legislatures of the States ought to make appropriations for this purpose. My own State has done so in the past, and I can not see why they should not do it again, if there is a condition existing such as did exist about five or six years ago. Is it not proper and is it not right to have the States make the appropriations for this purpose, and not the Government of the United States?

Mr. HEFLIN. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Alabama?

Mr. SMOOT. I yield.

Mr. HEFLIN. When the earthquake came to San Francisco the Federal Government went to the aid of the people there. When fire swept Salem, Mass., the Government appropriated money for the relief of the people there. Why should not the Federal Government go to the aid of people who have been afflicted by drought, and their property destroyed?

Mr. SMOOT. Mr. President, I shall not take the time of the Senate to discuss that question. There is quite a difference.

I might say, though, that one of the officials of the department told me that whatever money is advanced now for this purpose will go to the banks of the States in which the money is to be advanced to release the wheat they are holding now as security. I do not know whether that is true or not. I can not say whether it is.

Mr. GRONNA. I can not let that statement go unchallenged.

Mr. SMOOT. I have not made it as a positive statement, I will say to the Senator. I am simply saying that my informant was an official of the Agricultural Department.

Mr. GRONNA. Whoever made that statement is absolutely mistaken. It is intended that the Secretary of Agriculture shall prescribe such rules as he may see fit, and that it will all be done through the officers of the counties, the board of county commissioners, and I can not conceive any better agency than that particular agency. I can say that the official who reported to the Senator that it would release any wheat is absolutely mistaken. There is no such thing to be undertaken as that.

Mr. SMOOT. The Senator was just as positive that the money had been paid back, when I called his attention to it, as

he is in this matter. I get it from one of the head officials of the Agricultural Department; but, as I say, I do not know whether it is so. But I do know the amount paid back, because I got it not only from the Agricultural Department but I asked the Treasury Department to let me know the exact amount, and these are the exact figures reported.

There is no use in objecting; it will pass, anyhow, so I shall not object to it. I simply want to record my position on such a matter as this, that I think the States ought to take care of questions of this character. I know that legislatures of most of the States are in session now, and I think it would be very much better for the people of the States to do it than to have it come out of the Treasury of the United States.

Mr. REED. I would like to ask the Senator from North Dakota a question, with the permission of the Senator from Utah. I am very kindly disposed toward this bill; I understand the awful condition which exists in North Dakota.

Mr. GRONNA. North Dakota, Montana, South Dakota, and possibly one or two other States; but it is most disastrous in the three States I have named.

Mr. REED. I would like to inquire whether the Nonpartisan League has not been in control in the State of North Dakota, and if that is not the organization which told the farmers that it would relieve them of all possible adversities for the future?

Mr. GRONNA. I will admit, Mr. President, that there is a troublesome condition; but I will also say for the State administration that they have taken a great deal of time and expended money to get the data.

The VICE PRESIDENT. The Chair ventures to suggest that the bill be read, and if there is to be discussion, the Senator from Michigan can object, and if not, the bill can be passed.

Mr. TOWNSEND. I just wanted to ask a question of the Chair, suggested by the Senator from Montana. If unanimous consent is given to take this bill up, would it be in order and effective for the Senator from Michigan to object to further consideration and ask that the regular order be laid before the Senate?

The VICE PRESIDENT. The Chair thinks that unanimous consent can be given to temporarily lay aside House bill 15836, with the understanding that the Senator from Michigan can call it up at any time he pleases.

Mr. TOWNSEND. Then the bill may be read, as far as I am concerned.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and the Secretary will read.

PURCHASE OF SEED GRAIN.

The ASSISTANT SECRETARY. The Senator from North Dakota [Mr. GRONNA] reports from the Committee on Agriculture and Forestry favorably, with an amendment in the nature of a substitute, the bill (S. 2508) to appropriate \$5,000,000 for the purchase of seed grain and feed for live stock, to be supplied to farmers and stockmen in the drought-stricken areas of the United States, said amount to be expended under rules and regulations prescribed by the Secretary of Agriculture.

Mr. TOWNSEND. I ask unanimous consent that the regular order may be temporarily laid aside for the purpose of considering the bill just reported, under the condition as stated by the Chair.

The VICE PRESIDENT. Is there any objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 2508) to appropriate \$5,000,000 for the purchase of seed grain and feed for live stock, to be supplied to farmers and stockmen in the drought-stricken areas of the United States, said amount to be expended under rules and regulations prescribed by the Secretary of Agriculture, which had been reported from the Committee on Agriculture and Forestry with an amendment.

The amendment was to strike out all after the enacting clause and to insert:

That the Secretary of Agriculture is hereby authorized, for the crop of 1921, to make advances or loans to farmers in the drought-stricken areas of the United States, where he shall find that special need for such assistance exists, for the purchase of wheat, oats, barley, and flaxseed for seed purposes when necessary, to procure such seed and sell same to such farmers. Such advances, loans, or sales shall be made upon such terms and conditions and subject to such regulations as the Secretary of Agriculture shall prescribe, including an agreement by each farmer to use the seed thus obtained by him for the production of grain. A first lien on the crop to be produced from seed obtained through a loan, advance, or sale made under this section shall, in the discretion of the Secretary of Agriculture, be deemed sufficient security therefor. The total amount of such advances, loans, or sales to any one farmer shall not exceed the sum of \$300. All such advances or loans shall be made through such agencies as the Secretary of Agriculture shall designate. For carrying out the purposes of this section there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of \$5,000,000, to be immediately available.

SEC. 2. That any person who shall knowingly make any false representation for the purpose of obtaining an advance, loan, or sale under this act shall, upon conviction thereof, be punished by a fine of not exceeding \$1,000, or by imprisonment not exceeding six months, or both.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to appropriate \$5,000,000 for the purchase of seed grain to be supplied to farmers in the drought-stricken areas of the United States; said amount to be expended under rules and regulations prescribed by the Secretary of Agriculture."

PAYMENTS DUE RAILROAD COMPANIES.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15836) to amend the transportation act, 1920.

Mr. KIRBY. Mr. President, I send an amendment to the desk and ask that it be read.

The VICE PRESIDENT. The Secretary will read the amendment.

The ASSISTANT SECRETARY. Amend, by adding a new subdivision, after line 21, on page 2, as follows:

(c) Section 422, section 15a, of said transportation act approved February 28, 1920, is hereby repealed.

Mr. KIRBY. Mr. President, I opposed the passage of the transportation act throughout. I recognized that the condition was bad at the time, but knew the law would operate injuriously to the public. When the transportation act, turning the railroads back to their owners, was passed, States were thereby deprived of their regulatory powers, and the people were, in effect, deprived of their reciprocal and correlative rights under the law to reasonable and just rates of transportation.

Under the transportation act, as I understand it, the correlative and reciprocal rights of the public to reasonable and just rates for the transportation of freight and passengers has been absolutely and effectually destroyed. I do not believe that the transportation act has operated beneficially. That it has resulted injuriously and disastrously to the people of this country there is no question, and that it has resulted disastrously to the railroads themselves is conclusively shown by their appearance here to-day asking further favors of the Government.

We took the railroads over in the first instance, during the war, because the public necessity required it. The law guaranteed as an income to the railroads the average of three years' earnings before they were taken over, a period when the earnings of the railroads were higher than they ever were before in the United States. This income guaranty amounted to 10, 20, 30, 40, and I understand in one instance 65 per cent upon the capital invested in the railroad.

During the whole war that income was paid to the railroads. When it came time to release them to their owners the transportation act was proposed, and by that act Congress said to the railroad owners: "We will give you as a gratuity another six months' guaranty of this high rate of income after the roads have been turned over to you. In addition to that, we will give you 10 years in which to pay back the \$900,000,000 the Government has expended in the betterment of your roads during Federal control. In addition to that, we will put in the Public Treasury, of the people's tax money, a revolving fund of \$300,000,000, which you may come and borrow and use at your convenience."

In addition to that, the law provided that these railroads should be divided into certain groups throughout this country, that they should be valued in such groups, and then have the right to come to the Interstate Commerce Commission and demand under the law that freight and passenger rates be increased to such an extent that they should receive a guaranteed income of 6 per cent upon all the property invested in the particular business.

Mr. POMERENE. Mr. President—

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Does the Senator from Arkansas yield to the Senator from Ohio?

Mr. KIRBY. I yield.

Mr. POMERENE. Certainly the Senator does not wish to misrepresent the facts in that behalf?

Mr. KIRBY. Certainly not.

Mr. POMERENE. There is no guaranty of any return under the railroad act. The only thing in it in that behalf is this: There is a rule laid down to guide the Interstate Commerce Commission in fixing the rates. It was provided in substance that in fixing reasonable rates they should be made so as to earn a fair return on the aggregate value of the railway prop-

erty and named 5½ per cent as such fair return on the railroad property in the country as a whole or in sections. They can in their discretion arrange the rates so as to earn an income of 6 per cent, but if the returns should fall to 2 per cent or nothing, there is no liability on the part of the Government. In other words, there is no guaranty, and I think we ought to understand that as the debate proceeds.

Mr. KIRBY. I think my statement is accurate. I do not dispute the statement made by the Senator. The Interstate Commerce Commission under the law is required on the valuations made to allow them to levy such rates of transportation as will produce 5½ to 6 per cent net income. I believe the Senator will not dispute that. If that income is not produced, of course the Government does not have to pay it. I do not contend that it does, but under the law all the people of the United States are required to pay transportation charges that will produce 5½ to 6 per cent income upon the valuation of the roads in the separate sections or groups or upon the whole mileage. No one disputes that proposition.

When the bill was passed I said that if the legislation should be enacted the people of the United States under its operation would be charged \$1,250,000,000 more for transportation than they were paying before. I objected to it then. Voted against its passage. What has been the effect of it? After the bill became the law the railroad executives went to the Interstate Commerce Commission and said, "Under the law we are entitled to a good increase in freight rates," and demanded and were given authority to put them into effect. The Director General of the Railroad Administration of the United States while the railroads were under Federal control testified and stated officially that if the 25 per cent increase in rates inaugurated and instituted during the period of Federal control had been instituted at the beginning of such control, there would have been no deficit from the Government operation of the railroads, and consequently no liability for a deficit upon the part of the Government. Those increased rates obtained when we turned the railroads back to their owners.

What has been the result? Notwithstanding the law provided for the revolving fund, that the railroads might be loaned tax money from the Treasury, notwithstanding it made provision for this particular method of 6 per cent guaranteed compensation to them, and notwithstanding the Interstate Commerce Commission under said provision taxed all the people of the United States, or rather allowed the railroads to do so, as was done by increased transportation rates levied to produce said income, now the railroads come to the United States Government and say, "We are broke. The plan has operated injuriously. We must have this money that you provided should be paid to us as a gratuity before it becomes due under the law giving it to us." Under the law we agreed to pay them the money only after it was finally determined by the Interstate Commerce Commission how much the Government ought to pay, how much it owed under the law providing six months' guaranty of income under private control, and until that has been determined the railroads can not be paid the gratuity. The law is clear. The law granted the railroads all these rights and privileges, made all these provisions that were expected to furnish adequate relief for them, and now they ask for this payment out of time.

I say here and now that I am not going to oppose the passage of this bill. I voted against the transportation bill because I thought it was unfair, unjust, iniquitous, and because the guaranties were all to the railroads and none to provide the people with reasonable and just rates of transportation nor protect them in the enjoyment thereof. I said it would operate injuriously to the people. What has been the effect of it? It has increased the rates to such an extent that the people are required to pay \$1,250,000,000 more of revenue to the railroads. What net revenue has been produced? Has the Government or the people benefited at all? Let us see. I will read one section of the transportation act. There is a provision in the act requiring that the roads shall be grouped and that the Interstate Commerce Commission shall allow to be levied rates sufficiently high to produce 5½ to 6 per cent dividends upon the valuation of the roads grouped in a particular district. That was provided; yes; but it is true the law did not guarantee the Government would pay the roads the 5½ or 6 per cent income, but only that the Interstate Commerce Commission would permit them to charge such rates as were expected to produce that amount. We all knew that under this system of rates the great roads are carrying three-quarters of the traffic over their lines at such exorbitant rates as are manifestly unreasonable, unfair, and flagrantly unjust to the public; that the whole system of rates is so unreasonable and unjust as to be well-nigh prohibitive—more than the traffic will bear—and has brought ruin to the farmer and producer as well as to the carriers themselves.

There was a provision incorporated requiring the big lines to pay a certain amount of their income over the 6 per cent fixed by the law as reasonable into a trust fund to be loaned back to the railroads or to be distributed by the Government in accordance with the provisions of the act.

Let me read the section of the act. All recognized that it would be unfair to the public to allow the big lines to charge a system of rates that would produce a fixed net income of 6 per cent on all the valuation of all the roads in any particular group. Let us read this provision—subdivision 5, section 15a of the railroad transportation act, page 36:

(5) Inasmuch as it is impossible (without regulation and control in the interest of the commerce of the United States considered as a whole) to establish uniform rates upon competitive traffic which will adequately sustain all the carriers which are engaged in such traffic and which are indispensable to the communities to which they render the service of transportation, without enabling some of such carriers to receive a net railway operating income substantially and unreasonably in excess of a fair return upon the value of their railway property held for and used in the service of transportation, it is hereby declared that any carrier which receives such an income so in excess of a fair return shall hold such part of the excess, as hereinafter prescribed, as trustee for and shall pay it to the United States.

It was recognized by all in the consideration of the legislation that that would be manifestly unfair to the people for whose convenience the railroads are supposed to exist. What has been the result? Under the exorbitant rates that were conceded by all would produce more revenue than any large railroad was entitled to have, many of the big railroads having been guaranteed and paid during Federal control 10, 20, 30, 40, 45, and in one case as much, I think, as 65 per cent upon their invested capital, notwithstanding the rates were increased 25 per cent under Government administration, notwithstanding this further increase in rates under this transportation act of over 25 and 30 per cent, have we heard where even one big railroad in the whole United States of America has allowed one single cent to go into this trust fund? Is there one road that has done it? If there is, let some Senator rise in his place who knows about it and say which road it is. The law recognized under the rates allowed on the fixed percentage increase basis that there would of necessity be a surplus to be paid into said trust fund. It has been put into operation, but I challenge any Senator to rise in the Senate and name one single railroad that has laid aside one single dollar to go into that trust fund.

Mr. POMERENE. Mr. President, may I ask the Senator a question?

Mr. KIRBY. Certainly.

Mr. POMERENE. Will the Senator state what railroads have earned a surplus since the law has gone into effect?

Mr. KIRBY. I do not know what roads have, but I am telling what was said or provided or what would be the effect of the operation of the law and that no railroad had paid anything into said trust fund.

Mr. POMERENE. While the Senator is speaking of the increase in freight rates—and that is admitted—has he taken into account the increase in expenditures because of advance in material and advance in wages? I think when the Senator takes into consideration the other side of the ledger account he will find the situation somewhat different.

Mr. KIRBY. I do not say all those things should not be considered, but they do not have to be considered in connection with the proposition I am arguing here. That is the condition that we foresaw along that line. We recognized in passing the law that all of the great railroads would transport three-quarters of the traffic over their lines at greatly enhanced rates over what would be a fair and reasonable and just charge to the public, and not a single one has yet, as I understand, reported where it has laid aside one single penny for this trust fund. If one railroad has done so and any Senator knows it, I say let him rise in his place and name which one it is.

Mr. POMERENE. I am trying to trace it. I am interested in getting the facts. If the Senator can trace this for me and give me the names of roads that have earned a surplus, I would be most happy to know whether they have complied with the provisions of the law. If they have not, I am as much interested in having them comply as the Senator from Arkansas.

Mr. KIRBY. I have never been in the confidence of the railroads nor their operating boards. I do not know what their books will show, but I do understand that they have not paid anything into this trust fund, as I have stated. No Senator knows where one has done it. When the law providing this gratuity was passed—and I am not talking against paying it, but about another proposition—to guarantee the railroads for six months under private control the same rate of income paid them under Government operation there was only one railroad company in the United States that said, "No; the Government has done enough to us. Give back our railroad under the rates

that are already established, and we will carry the public and its freight and risk making a proper compensation." That was the "Cotton Belt." The St. Louis-Southwestern Railway, that runs down through my country, accepted no Government guaranty, and it is not here to-day demanding any further gratuities or favors from the Government. If the Cotton Belt Railroad running through Arkansas and Missouri could do that—and it has done it—then why have not these great railroads that are carrying three times as much commerce as that road, at the 30 per cent increase in rates, been able to put something into this Government trust fund? There is something wrong somewhere.

I say that by the passage of the bill, section 15a of which I am asking to have repealed now, we absolutely destroyed the reciprocal rights of the public to have fair and just and reasonable rates of transportation established. There is no question that under the law the railroads are allowed to charge such rates as will yield a reasonable and just return upon the money invested in the transportation agencies; but there is an equal and correlative and reciprocal right upon the part of the public to have provided just and fair and reasonable rates of freight and transportation. Under the bill that right has been absolutely destroyed. It is said that we have only provided under the law that the railroads shall be divided into districts or groups and valued in that way, and that on the value of the property in the various districts the Interstate Commerce Commission shall allow them to levy such rates of freight as will produce 5½ to 6 per cent income, and when it exceeds that they will pay the overplus back into the trust fund of the Government.

Yes; and there we have provided by an unbending rule of law what is a reasonable rate of income for the railroad companies, and we have absolutely destroyed the possibility of the people having any consideration of the establishment of reasonable and just rates of transportation, unless and until the railroads first get their income as fixed by the law. Is there anyone here who will deny that? We have taken the power and discretion away from the Interstate Commerce Commission to treat the public fairly under the law, as it always has been administered before this section was enacted.

In addition to that the law destroys absolutely and effectively the power and the right to regulate rates by the States. That is done by this law, which I think is unconstitutional in that regard, but unless and until it is declared unconstitutional said rate-making agencies are absolutely destroyed. There is no hope of relief to the people from that source. There is no hope of relief to the people from the Interstate Commerce Commission. Why? Because it is bound hand and foot by the law which says that the railroads shall have the right to a certain fixed rate of return upon the valuations made. Is there anyone here who will dispute that proposition? Then, where are the public to get their relief?

What has been the effect of the operation of the law? As I said, this railroad down in Arkansas stated that they did not need the Government guaranty, that they did not want any favors from the Government, but merely asked that their property be turned back to them and that they be given an opportunity to proceed under the law and they would make money. We have not heard any complaint from them. That is a little system, as compared with these others, and its guaranteed income during the war was low and small, as compared with the roads that had 10, 20, 30, 40, 45, and even 65 per cent return guaranteed, but that railroad has taken that position. Where are the public going to get any relief?

There is no relief unless the Supreme Court shall declare the other law unconstitutional on that point, or unless Congress shall repeal this section of the law and give the people an opportunity to be heard before the Interstate Commerce Commission, which I believe is the most beneficial agency that ever has been established by the Government for the protection of the people in these matters and for the protection of the carriers as well. Let us repeal this law and restore the status where the Interstate Commerce Commission shall be left discretion to fix reasonable rates both for the carriers and the people. Then the public will at least have a chance to complain that they have not been given just and fair and reasonable rates, and to have the matter tried by a tribunal which is established by law for that purpose. In that way they may secure some relief.

It is asked, however, Does the public need any relief? For the farmers of Texas and Oklahoma and other States of the Southwest and the farmers of the Northwest the freight rates have been increased so unreasonably high that their products in the market are hardly worth shipping. On account of the small net return under the conditions as they now exist, the farmers, the producers, and the stock raisers have been virtually

ruined by the increased robber freight rates which have been fixed directly by authority of this law of Congress.

What is the condition of the railroads? The railroads say, "We as well have been ruined; we are not making any money; we are broke; we come to the Congress and we ask Congress to give us this money before it is due, before under the terms of the gratuity we are entitled to receive it; we want this money; we have got to have it; we ask the Government now for that favor."

Senators know that the smoke from the chimneys of many factories does not any longer ascend; they know that the fire smolders in many forges in this country of ours; they know that the farmers in the South and West have been so handicapped, so injured, so discriminated against by the railroads that they face disaster.

What good has this legislation done the railroads? If they are reporting the truth, they, as well as the agricultural and industrial communities, are ruined. They come and say frankly, "We are ruined," and this is one of the prime factors contributing to their present condition.

Now, do not Senators think we had better repeal that section of the law? We have already passed the other law. I opposed it; I said it would operate in this way to the injury of all the public, who had a right to expect reasonable and fair freight rates, and that their Congress at least would not preclude them from the right which they had always enjoyed. Let us repeal this other section.

Mr. GRONNA. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from North Dakota?

Mr. KIRBY. I yield to the Senator from North Dakota.

Mr. GRONNA. I wish to say to the Senator from Arkansas that what he has said with reference to the heavy freight charges on bulky freight is absolutely true, so far as it applies to the section of country from which I come.

Mr. KIRBY. I am glad to have the Senator say that.

Mr. GRONNA. In the case of hay, for instance, the hay market to the farmer in my section of the country has been destroyed by virtue of high freight rates, and, as the Senator from Arkansas has well said, the business does not seem to pay the railroads. In that aspect of the case, it seems that the whole machinery which was set up was unscientific and has produced deplorable conditions among farmers and, I understand, among the railroads.

Mr. KIRBY. I am glad to have the Senator's confirmation of my statement.

Senators will remember the live-stock situation and what representatives of the live-stock industry have stated. They will remember how live-stock men have stated that when they ship their stock to market, after paying transportation charges, they receive virtually nothing for the stock. The railroads say, "We, too, are broke." Then there is something wrong with the system.

Let us repeal section 15a of the law; let us hand back to this agency, the Interstate Commerce Commission, the power to say to the railroads, "You shall have reasonable and just rates for service," and also to say to the public, "You shall have reasonable and just rates of transportation."

But, it is asked, "Is it possible that the law operates in that way?" I have set forth the condition. It is further asked, "Will it operate in that way in the future?" It has so operated to this time, and why would it improve in the future?

Whenever the rates of carriage are fixed so high that commerce can not move, then commerce is destroyed and the carriers are destroyed. It is asked, "Is it possible that the carrier would so far disregard its own interest as that it would take the benefit of a provision of law that might prove injurious to the carrier?" The Government stood behind them here by a guaranty of 10, 20, 30, 40, or 45 per cent income for six months. The carrier took the chance in the other matter and said to the Government, "We want a guaranty under the law; we want such rates as we are entitled to prescribe under this 6 per cent income law," and we said, "We will see what can be done about it." Now the carriers come and say, "We are broke. What are you going to do about it?"

The Senate of the United States represents the whole people of the United States. The Government and the public do not exist for the benefit of the railroads; the Senate Chamber was not built for the benefit of Senators; the courthouse was not built for the benefit of the judges; the schoolhouse was not built for the benefit of the teachers. These are all agencies in the development of our progress and civilization; agencies for the service of the people and the promotion of their welfare. We are certainly as much obligated to protect the public interest as we are to protect the interest of any special class of our

citizenship or corporations. Is that not true? Then, it has not been done and the law conclusively shows it by its having operated injuriously to the public and disastrously to the railroad companies.

I think these matters ought to be considered, and I think the time has come here and now when relief should be afforded. Just so long as we continue to have group rates and arbitrary valuations fixed and then allow the railroads by a system of bookkeeping to add two or three items, that long we are going to have this condition. There will be lethargy; yes, there will be disappointment to the public; there will be gloom among the producers. That is the condition which we have to-day, and we do not propose to remedy it one single farthing by taking the people's money out of the Treasury and handing it to the railroads. Why? Because the railroads are broke and because it is necessary that the people have transportation.

We have already passed that law, and having passed it I say let us go ahead—it will make but little difference—and give the railroads what we have said they are entitled to under the law; but let us remedy the condition, let us give the people an even and fair chance or some chance, at any rate, for the determination of their rights; give them an opportunity to have equal, fair, and just and reasonable rates of transportation, which never can be done under this section of the law.

Senators, I am not disposed to discuss this matter longer; I could say a great deal about it; but we have seen the effect of operation of that section, and you know what I have said here is true. I do not believe there is a single proposition that I have made that can be disputed; I think everything I have stated is in accordance with the facts and is definite and accurate, so far as the general matter and statement is concerned.

Now, there ought to be something done to bring relief. That can be done by the repeal of that particular section, which will leave the Interstate Commerce Commission where it has always been, with the power to fix just and reasonable rates to the public and with the power to grant rates that will provide reasonable and just compensation to the carriers. That is where it ought to be left; it ought to be left within the discretion of this agency which Congress has created for that purpose.

The PRESIDING OFFICER. The question is on the adoption of the amendment offered by the Senator from Arkansas.

Mr. TRAMMELL. I should like to have the amendment stated.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 2, after line 21, it is proposed to amend by adding a new subdivision which will read:

(c) Section 422, section 15a, of said transportation act approved February 28, 1920, is hereby repealed.

Mr. TRAMMELL. Mr. President, I am very heartily in sympathy with the object and purpose of the amendment offered by the Senator from Arkansas. When we were considering the present law governing our railroads and transportation I was thoroughly impressed and convinced that its provisions in regard to rate making were going to operate very harshly; that in many instances they would result in the imposition of railroad rates which would be almost prohibitive and which in a great many instances would result in retarding certain industries, and more particularly agricultural industries. For this reason I opposed and voted against the present railroad law. My forecast upon that subject, so far as the State of Florida is concerned, has proven true. I have received a great many reports from those engaged in the citrus-fruit industry, those engaged in staple farming and in the production of vegetables and in other products, complaining most bitterly against the present rates imposed upon those industries. The difference between what may be reasonable rates and the rates that are being charged at the present time upon many of these products represent to the grower an element of safety against loss.

As an illustration of the excessive rates, I may call attention to a freight charge brought to my attention by a farmer from a small town near Tampa, the town of Wimauma. This farmer shipped to Philadelphia a carload of lettuce consisting of 374 hampers, and upon that carload of produce the freight was \$411.11 for a haul of, say, from 1,200 to 1,250 miles. The freight charge, as I have said, on that haul was \$411.11. Under the present rate, which was certainly sufficient, the farmer would have paid probably \$300 for his freight, and he would have had \$111.11 left to stand between him and an actual loss upon the fruit of his labor and his investment; but as a consequence of this excessive rate he received only \$3.80 net for his carload of lettuce.

Another case brought to my attention was the shipment of a carload of cabbage from the same point to Philadelphia. On

396 crates of cabbage, constituting one carload, the freight was \$434.15, and the farmer received \$10.86 net.

Mr. President, the industries of the country will not prosper, will not be continued, and will not be enlarged if the freight rates are excessive. The result has been in my State, and doubtless in many other States, that they are plowing in their fields of lettuce, they are letting their fields of cabbage go to waste; and the producers of citrus fruits, with the present market and the present excessive freight rates, are hesitating about shipping a considerable part of the crop that has not yet been marketed. The rate burden has practically destroyed the production of watermelons.

I took up the question of obtaining a freight rate reduction with the Interstate Commerce Commission, and the commission took it up with the railroads, with a view to trying to get some amicable adjustment of the freight rates on citrus fruits and vegetables. The reply came back that the rates could not be made any less, and that the trouble was in the markets at the present time; that the products were not bringing a reasonable price in the markets. I frankly admit the market is bad, but, at the same time, that does not remove the fact that the freight rates and the express rates are excessive. That does not remove the fact that the railroads of the country could make reasonable returns upon the products of the grove and of the farm by imposing a reasonable rate and lessen the loss to the grower of my State and other States. The idea of one carload of cabbage requiring a freight charge of \$434 for a distance of 1,200 miles! Anybody knows that that is not reasonable.

Mr. DIAL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from South Carolina?

Mr. TRAMMELL. I yield to the Senator.

Mr. DIAL. In connection with what the Senator says I will say to him that I saw the other day a bill for a carload of merchandise shipped from Winston-Salem to Washington, a distance of about 400 miles, and the freight bill was around \$445.

Mr. TRAMMELL. That is just in confirmation of my position that the rates are entirely too high. They are unreasonable. They result in retarding business, they result in reducing the tonnage to the railroads, and in that way affect the income of the railroads of the country and at the same time paralyze industry.

Take the express rates: Only this morning I received a letter from a farmer of my State saying that he had shipped 12 crates of vegetables to Savannah, Ga., a distance of some 500 miles, and that the charges upon the 12 crates were \$24, \$2 a crate. Why, the people that are carrying on the citrus-fruit industry and the farming industry of this country can not survive rates of that kind.

There are two different lines of thought among the railroad people of the country. Some seem to think that you can put on almost any kind of a rate charge you want and that that makes the railroad more prosperous; but, as stated by the Senator from Arkansas [Mr. KIRBY], it has been developed that that is not true. They asked for an increase of their rates, and they got an increase, and yet they claim that their roads are not prosperous, that they are not making money. Well, one thing is certain. The people who are furnishing the freight and paying the freight rates are not making money, and a great many of them are losing money on account of the excessive charges.

Among railroad people there is another line of thought—that if you make your rail rates reasonable you encourage industry, you encourage agriculture, you increase railroad tonnage, and that your railroad is made more prosperous by the adoption of a policy of that kind than by imposing such very high rates as are imposed under the present law.

I am thoroughly in sympathy with the amendment offered by the Senator from Arkansas.

Mr. POMERENE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Ohio?

Mr. TRAMMELL. I yield.

Mr. POMERENE. Assume that the amendment proposed by the Senator from Arkansas is adopted. Will the Senator explain how that will bring relief?

The commerce act provides, in substance, that the rates shall be just and reasonable. The only addition, so far as the particular section is concerned which it is proposed to repeal, is this: First, that the Interstate Commerce Commission shall have before them a rule in rate making which will net to the railroads in the entire country—or, if it is divided into groups—5½ per cent on the railway investment. This is for a period of two years only; and they can, in their discretion, if

they think necessary, add to that another half of 1 per cent, which shall be used in the betterment of the railroads. Now, of course, the Senator must recognize the fact that we have good roads and we have bad roads and we have roads which are in an indifferent condition, considered from an earning standpoint; so we have provided, if there is an excess earning, how this excess earning shall be divided.

I am not prepared to discuss with the Senator the question as to whether or not the rates to which he refers are too high. I am impressed with the fact that they are somewhat exorbitant; but the Congress of the United States does not fix rates. The Interstate Commerce Commission fixes them. If they are too high, or higher than a given commodity ought to bear, of course they ought to be reduced; but surely the Senator is not going to take the position that we ought not to provide in some way for some return on investments in railroad property. Otherwise, you are going to wreck the entire system, and I should like to know how the Senator expects to improve the condition of the shippers by repealing this particular section of the railroad act.

Mr. TRAMMELL. Mr. President, it is somewhat a case of "any port in time of storm." It could not be any worse than it is at present, and we could only have a little ray of hope if we repealed the present limitations which allow them to make a certain percentage.

Mr. KIRBY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Arkansas?

Mr. TRAMMELL. Certainly.

Mr. KIRBY. I should like to make a suggestion there. If we repeal this law that says to the Interstate Commerce Commission, "You shall allow the railroads rates that will produce this amount of revenue," then the discretion will have been left with this agency just as it always was before we made a rule that operated as this one has been shown to have operated.

Mr. POMERENE. Does the Senator know that the rates have been made so as to produce this return?

Mr. KIRBY. Why, they said so.

Mr. POMERENE. I beg the Senator's pardon; they have not said so.

Mr. KELLOGG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Minnesota?

Mr. KIRBY. Just a minute. The railroads came and asked rates that would produce an additional revenue of \$1,250,000,000, and the railroads under this rule of law, I understand, were granted those rates.

Mr. POMERENE. Mr. President, I am afraid the Senator from Arkansas has not gone to headquarters to get information with regard to that matter.

Mr. KIRBY. Then will the Senator be so kind as to furnish the information from headquarters?

Mr. POMERENE. If the Senator had told me what he was going to discuss this morning, I should have tried to have it here. The Interstate Commerce Commission went into this subject for the purpose of improving conditions, and saw that certain increases in rates were necessary; but I challenge the Senator to point out one word which has been uttered by the Interstate Commerce Commission to the effect that under these rates these returns would be guaranteed.

Mr. KIRBY. Nobody claims that.

Mr. KELLOGG. Mr. President, will the Senator yield? I think I can give the Senator the information he asks for right now.

Mr. TRAMMELL. I yield.

Mr. KELLOGG. The commission did fix the value of the roads under the La Follette Act, they having reached a stage in their valuation where they could make a fair and reasonable estimate of it. They did make rates which they thought, under the existing conditions, would produce the 5½ per cent return.

Mr. KIRBY. In accordance with this law.

Mr. KELLOGG. As a matter of fact, they did not do it, and I will give the Senator the exact figures.

Mr. KIRBY. Will the Senator yield?

Mr. KELLOGG. I should like to complete the statement, if the Senator will allow me.

Mr. KIRBY. I just want to say to the Senator before he finishes his statement that I do not claim that the railroads made so much, but I say that under the law the Interstate Commerce Commission was bound to allow them rates that they thought would enable them to make that much.

Mr. KELLOGG. Yes; as nearly as may be.

Mr. KIRBY. And we took away from them the discretion to say that the rates should be reasonable to the public or to the railroad companies.

Mr. KELLOGG. But it was not a guaranty, and as a matter of fact the statistics of the Interstate Commerce Commission show that in September after these rates were fixed the roads earned 4.1 per cent upon the valuation fixed by the commission; in October, 4.6 per cent; in November, 3.3 per cent; in December, 1.1 per cent; or an average of 3.3 per cent; and the results for January are not as good as those for December. That is what they actually did earn.

Mr. TRAMMELL. That shows all the more necessity for repealing this law, because, if we do not repeal it, if they think it is the proper thing to do, they will be appearing before the Interstate Commerce Commission within a very short time asking for another advance of 25 per cent or 50 per cent in freight and passenger rates. I think it is all the more necessary to repeal this provision or else to cut down the rate of return they shall be allowed to make on their investment.

Mr. KELLOGG. I understand that it is not their intention to ask for any increase, and that the railroads themselves do not feel that any increase should be granted.

Mr. TRAMMELL. I think they have reached a very wise conclusion. If they pursue the present destructive policy of charging excessive rates, their tonnage is going to be very materially reduced; so, as a question of preserving a house that is rapidly tumbling, I hope they will see fit not to attempt to advance rates and, on the other hand, will reduce them.

Mr. DIAL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from South Carolina?

Mr. TRAMMELL. I do.

Mr. DIAL. Is it not true that the railroads have already lost a great deal of the short-haul tonnage in favor of trucks? In my State the rates are so high now that on the short hauls they are hauling freight by truck.

Mr. TRAMMELL. That is true. They are losing in that way, and they are losing on account of curtailment in crop production; and if the present rates remain, judging from the situation in my State, their tonnage will be reduced probably 25 to 33½ per cent in another year, because the farmers of the country are growing weary of the idea of spending their time and giving their labor and their money in the production of crops when they have to contribute more than half of what they receive for them for freight charges.

Mr. President, I think it is high time that Congress was taking some action against the excessive freight charges that are in existence under the present law, and I hope that the amendment offered by the Senator from Arkansas [Mr. KIRBY] will be agreed to. I have sought to reach the same condition by introducing some three or four weeks ago a bill to reduce the percentage of earnings that the railroads are allowed under the existing law, but it seems now that they claim they are not making that percentage, so I am after the effective remedy for a reduction in freight rates and in express rates. If we do not get them our agricultural interest is going to be very much hampered and the business of the railroads is not going to be what it would be if they would make reasonable rates and do business upon a policy of "live and let live."

I hope the amendment of the Senator from Arkansas will be adopted.

The PRESIDING OFFICER. The question is upon the adoption of the amendment offered by the Senator from Arkansas [Mr. KIRBY].

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Harris	McCumber	Smith, Ariz.
Ball	Harrison	McKellar	Smith, Md.
Borah	Heffin	McLean	Smith, S. C.
Brandagee	Henderson	McNary	Smoot
Calder	Hitchcock	Moses	Spencer
Capper	Johnson, Calif.	Nelson	Sutherland
Chamberlain	Jones, N. Mex.	New	Swanson
Curtis	Jones, Wash.	Overman	Thomas
Dial	Kellogg	Phelan	Townsend
Fernald	Kendrick	Phipps	Trammell
France	Kenyon	Polindexter	Underwood
Frelinghuysen	King	Pomerene	Walsh, Mont.
Gay	Kirby	Ransdell	Watson
Gerry	Knox	Reed	Willis
Gooding	La Follette	Sheppard	Wolcott
Gronna	Lenroot	Shields	
Hale	Lodge	Simmons	

Mr. GERRY. I have been requested to announce the absence of the Senator from Kentucky [Mr. BECKHAM] and the Senator from Virginia [Mr. GLASS] on official business.

The PRESIDING OFFICER. Sixty-six Senators having answered to their names, a quorum is present.

Mr. TOWNSEND. All I desire to say, Mr. President, is that the amendment offered by the Senator from Arkansas [Mr. KIRBY] is not pertinent to this bill; that it has not been considered by the committee; and it ought not to complicate the question which we are here trying to settle.

Mr. KIRBY. Mr. President, I wish to speak on the amendment very briefly, as only a few Senators were present when I offered it.

I do not think the objection raised by the Senator from Michigan is tenable. This is a House bill, general legislation, in effect, and I have offered an amendment to it, as I had a right to do, to repeal that section of the transportation act which requires the Interstate Commerce Commission to value the roads in groups; and to permit the railroads to levy enough additional freight rates to give them a return of 5½ to 6 per cent upon the property investment, as valued by the commission. That is the present law. Under that law the railroads were valued, and an increase of 25 to 30 per cent in freight rates was granted. I say the effect of that law has been ruin to the productive industries of the country and almost ruin to the carriers themselves.

It seems to me that under the old law, under the law as it is supposed to exist to-day, the railroads are entitled to only a reasonable return upon their investment. The law says that 5½ to 6 per cent upon the valuation is a reasonable return. Under the law, shippers are entitled to reasonable and just rates of transportation. Now, the Interstate Commerce Commission is precluded, by this section of the law, from considering the reasonable and just freight rates upon the part of the people until they have levied rates high enough to return 5½ and 6 per cent income upon the property as valued by the Interstate Commerce Commission. In other words, the public right to reasonable and just rates of transportation is absolutely destroyed unless and until the rates charged produce 5½ and 6 per cent income to the railroads as fixed by law and not by the Interstate Commerce Commission.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. KIRBY].

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. FERNALD (when his name was called). I have a general pair with the junior Senator from South Dakota [Mr. JOHNSON]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. KENDRICK (when his name was called). I have a general pair with the Senator from New Mexico [Mr. FALL], and in his absence am compelled to withhold my vote. If at liberty to vote, I would vote "yea."

Mr. KNOX (when his name was called). I have a pair with the senior Senator from Oregon [Mr. CHAMBERLAIN], but through the courtesy of that Senator I am released on this bill and all amendments thereto. Therefore I am at liberty to vote. I vote "nay."

Mr. POMERENE (when his name was called). While I have a general pair with the senior Senator from Iowa [Mr. CUMMINS], I understand that on this amendment he would vote as I intend to vote. I therefore feel privileged to vote. I vote "nay."

The roll call was concluded.

Mr. HENDERSON. I have a general pair with the junior Senator from Illinois [Mr. McCORMACK]. In his absence I transfer that pair to the Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. GLASS. I transfer my pair with the senior Senator from Illinois [Mr. SHERMAN] to the junior Senator from Massachusetts [Mr. WALSH] and vote "nay."

Mr. TOWNSEND. I desire to state that I am paired with the senior Senator from Arkansas [Mr. ROBINSON], but I am confident that if he were present he would vote "nay" on this proposition. So I feel at liberty to vote. I vote "nay."

Mr. HARRISON. I am paired with the Senator from West Virginia [Mr. ELKINS]. Not being able to obtain a transfer, I withhold my vote.

Mr. MOSES. I desire to announce the absence of my colleague [Mr. KEYES] on official business. If present, on this question he would vote "nay."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Pennsylvania [Mr. PENROSE] with the Senator from Mississippi [Mr. WILLIAMS]; and

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN].

The result was announced—yeas 14, nays 59, as follows:

YEAS—14.			
Ashurst	Harris	La Follette	Sheppard
Fletcher	Kenyon	McKellar	Trammell
Gore	King	Overman	
Gronna	Kirby	Phelan	
NAYS—59.			
Ball	Gooding	Myers	Spencer
Beckham	Hale	Nelson	Stanley
Brandagee	Heflin	New	Sterling
Calder	Henderson	Phipps	Sutherland
Capper	Hitchcock	Polindexter	Swanson
Colt	Jones, N. Mex.	Pomerene	Thomas
Curtis	Jones, Wash.	Ransdell	Townsend
Dial	Kellogg	Reed	Underwood
Dillingham	Knox	Shields	Wadsworth
Fernald	Lenroot	Simmons	Walsh, Mont.
France	Lodge	Smith, Ariz.	Warren
Frelinghuysen	McCumber	Smith, Ga.	Watson
Gay	McLean	Smith, Md.	Willis
Gerry	McNary	Smith, S. C.	Wolcott
Glass	Moses	Smoot	
NOT VOTING—23.			
Borah	Fall	McCormick	Pittman
Chamberlain	Harrison	Newberry	Robinson
Culberson	Johnson, Calif.	Norris	Sherman
Cummins	Johnson, S. Dak.	Owen	Walsh, Mass.
Edge	Kendrick	Page	Williams.
Elkins	Keyes	Penrose	

So Mr. KIRBY's amendment was rejected.

Mr. TRAMMELL. Mr. President, I have just sent a page for an amendment which I desire to propose to the pending railroad law, reducing the authorization of return on rates from 5½ to 3 per cent.

We are passing now upon the question of a bill granting relief to the railroads. I was very forcibly impressed by the result of the last vote as to the attitude, upon the one hand, of granting relief to the railroads and, upon the other hand, of granting relief to the agricultural and shipping interests of the country. The railroads come to Congress and knock at the door, and they do not knock in vain, but, in a very large majority of the instances at least, the producers, the operators of industries of the country, when they appeal to Congress appeal to deaf ears. It seemed to be all right to pass legislation granting to the railroads financial assistance. They succeeded admirably; they got just what they wanted. I recall more or less railroad lobbyists being around the Capitol advocating bills providing for the return of the railroad properties to private ownership, and so far as suggestions made by them within my knowledge, they obtained from Congress everything they asked. They made a mistake as to what they would accomplish or what they thought they would accomplish. The imposition of the excessive rates has worked a great hardship upon the freight-shipping public of the country.

The railroads did not ask only for financial assistance, but also to be given very high rates, based not upon the actual value of the stock but upon the investment in the railroads. They said, "We are an infant industry in this country and will have to have financial assistance." Congress came to the rescue and gave them all the financial assistance they wanted. They made some miscalculation as to the length of time of the loan they desired. They only asked for three and one-half years at first, but some three or four weeks subsequent it dawned upon the railroads that they wanted the loan and the financial aid for a little longer period. Again they came and knocked at the door of Congress, asking that the period for the loan be extended. There was great responsiveness, and the request was promptly granted.

But when the agricultural interests of the country, the fruit growers of the country—of my section and other parts of the Union—appeal to Congress and try to get some relief against excessive freight and express rates, which are working so disastrously to those industries, then other business is too important and we have not time to consider those questions just at present. We can lay aside the Agricultural appropriation bill to provide some relief for the railroads, but the idea of laying aside a railroad bill to provide some relief to the overtaxed industries and agricultural interests of the country on account of excessive freight rates and express rates is thought preposterous, by some at least.

There is an upheaval of sentiment in the country against the present system of excessive rate making on the part of the railroads. From my own State I am receiving almost daily communications from farmers' organizations, commercial organizations, merchant associations, and from the private truck farmer and private citrus-fruit grower in protest against the present rates. It is asked here, "Are we not going to give the railroads a reasonable rate?" Yes; I think they are entitled to a reasonable rate, and that is what we are pleading for—reasonable rates; but we think also that the industries of the country, which are

the support of the railroads, are entitled to reasonable rates, and that in the rate structure the condition of the industries should be considered and the rates should be so fixed as to allow those industries to prosper, instead of having rates fixed that will stifle them and destroy them.

Down in my State we produce great quantities of perishable products. Under the old régime of the railroads years ago, with high and excessive rates, the trucking industry and the citrus-fruit industry amounted to very little. It was only some 10 or 15 years ago, when the railroads adopted the wise policy of trying to give rates that would encourage those industries, that we began to see expansion and development in the citrus-fruit industry and in the truck farming of the State. Under the prewar rates, which are ample and sufficient for present conditions, our citrus-fruit industry was spreading most rapidly. Thousands and thousands of acres of additional groves were being planted each year. In localities suited for vegetable growing, instead of there being probably only 100 or 200 acres, we found the industry expanding until there were thousands and thousands of acres utilized in the production of all kinds of truck.

However, Mr. President, to-day, when the farmer has to pay \$434 freight to get a carload of lettuce for a distance of 1,200 miles, there is but little hope for him; there is but little hope for the expansion; yea, there is but little hope for the maintenance of the existing conditions in my State, so far as truck farming is concerned. The same thing is true of the citrus-fruit industry.

The railroads of certain sections of this country exercise some wisdom in the fixing of their rates and try to accommodate themselves to the situation. As an illustration, take the rate upon citrus fruit from California to the East. I have had some tables compiled upon the subject.

Mr. GRONNA. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from North Dakota?

Mr. TRAMMELL. I yield.

Mr. GRONNA. The Senator from Florida has called attention to the freight charge on a carload of fresh vegetables. Will the Senator kindly give us the information as to what the producer got out of that carload?

Mr. TRAMMELL. I have the report here giving that information. The producer received \$10.86. He received less than 4 cents a crate for his cabbage and lettuce, and the railroad received for the freight on the cabbage and lettuce about \$1.15 a crate.

Mr. President, I repeat the previous statement of my position, that the difference between the excessive rate and what would be a reasonable rate for the moving of such products gives an element of safety to the producer against loss. I think that a system of rates that would protect the producer and at the same time leave a reasonable return to the railroad operator for his service would be an equitable and just system, and one to which the industries of the country are entitled.

Mr. POMERENE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Ohio?

Mr. TRAMMELL. Certainly, Mr. President.

Mr. POMERENE. The Senator from Florida proposes by his amendment to change the rule which was fixed for the Interstate Commerce Commission in the determination of rates by reducing the net return from 5½ per cent on the aggregate value of their property to 3½ per cent. That 5½ per cent means the average rate on the aggregate value of the railway property in all the country or in groups. If the return is to be reduced to 3½ per cent, then there will be some railroads as to which the earnings will be very much less than 3½ per cent and a few, perhaps, whose earnings would be more than 3½ per cent.

As I recall, during the hearings it was established that there are railroad bonds maturing which are drawing from 4 to 5 per cent, which will aggregate during the current year something in the neighborhood of \$300,000,000. Similar amounts will be maturing for some years in the future. If the Senator desires to reduce the average earnings of the railroads to 3½ per cent, can he tell the Senate where they would get money with which to refund those bonds now, and which draw 4 or 4½ per cent?

Mr. TRAMMELL. I should like to ask the Senator if he can tell me where the farmers and fruit growers in my State can get the money with which to pay for their fertilizer and to meet the obligations which they have assumed on account of their crops under the present existing freight rates?

Mr. POMERENE. Mr. President, the Senator from Florida knows he is not answering my question. My position is that

if freight rates are excessive, then there is an Interstate Commerce Commission whose duty it is to reduce them; and no doubt, if they are excessive, the Interstate Commerce Commission will reduce them. Of course, if the Senator from Florida has no concern for the transportation systems, if he would rather have the railroads in the hands of receivers so that there would be no means of shipment for citrus fruits—if that is the way he desires to serve his constituents, then I have nothing further to say.

Mr. TRAMMELL. Mr. President, I have not intimated that, but if we are to engage in conjecture I might as well indulge the thought, from the position taken by the Senator from Ohio, that if there is any crushing done he wants to crush the agricultural interests of the country and to preserve the railroad interests. So far as I am concerned, I say that if we are going to preserve any particular interest we should preserve the agricultural interest of the country and the other industries of the country. I know some seem to take the position that the railroads have built up the country. The railroads have been wonderful factors in its development, and on that account they have received decided advantages over the general public in a great many States of the Union; but, Mr. President, without the industries to support the railroads the railroads would necessarily go into bankruptcy. My idea is that we should harmonize the interests of both; that we must not place upon a pedestal the interests of the railroads of the country and entirely ignore the interests of the people upon whom the burden of their rates is imposed. This bill no more nor less than authorizes the railroads to become a taxing power against the American people. That is what it authorizes.

Senators talk about the returns to the bondholders and stockholders of the railroads. One of the difficulties we face to-day when it comes to the question of dealing with railroad rates is the overcapitalization of the railroads. There are many roads in the United States which are capitalized per mile at two, three, and even quadruple the actual expenditures on those properties; and yet, forsooth, when it is said that they should not have 5½ per cent on their watered stock, their speculative stock, and all other kinds of stock which they have authorized, then some one gets up and says that we wish to crush the railroads; we want to put them into bankruptcy. Nobody wants to put them into bankruptcy; but we want a fair deal for the people of this country who have to bear the burden of the maintenance of the railroads. I say that if under present existing rates the railroads are not earning more than 3½ per cent, then I propose to offer an amendment to the present bill to cut down their earnings to 3 per cent, and if it comes to a question of what will become of the stockholders of the railroads, they will take care of themselves; they will then, if we allow them 3 per cent, have more net earnings than the people of the country, generally speaking, who are supporting the railroads.

Take, for instance, the grower of agricultural products, citrus fruits and vegetables, in my State. When he ships a carload of his product and gets back a net return of \$10.86, or \$15 or \$20, he is not receiving nearly as much as the railroad receives for hauling the car of freight.

Mr. KENYON. Mr. President, I should like to ask the Senator what has been done in his State in regard to intrastate rates? Has the Interstate Commerce Commission sought to fix intrastate rates in the State of Florida?

Mr. TRAMMELL. It is my understanding that they have sought to fix them, but I think our railroad commission has been resisting that effort. I understand the Senator has an amendment dealing with that aspect of the question.

Mr. KENYON. I offered an amendment to the original railroad bill in the form of a new bill, but I do not know whether or not I shall offer it to this bill; I think, perhaps, I shall.

Mr. TRAMMELL. Mr. President, I am heartily in sympathy with that; I think that the Interstate Commerce Commission should not control intrastate rates.

Mr. KENYON. Does the Senator believe that it was the intention of Congress in passing the Cummins-Esch bill to give the Interstate Commerce Commission the power to fix intrastate rates?

Mr. TRAMMELL. I am quite sure that some of those who importuned me to support the bill and who themselves were supporting it said that that power would not be given in the case of intrastate rates. I expressed some apprehension at the time the bill was pending upon that very point, but I was assured by the advocates of the bill—at least, by some of them—that it would not interfere with intrastate rates. I hope that such an amendment will be adopted. In the case of my State, for instance, one of our largest railroad systems is entirely an intrastate railroad, and it is a great injustice for the Interstate Commerce Commission to come into my State and, deal-

ing with one of our three largest systems, the largest one being entirely an intrastate carrier, to attempt to fix our intrastate rates.

Mr. KING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Utah?

Mr. TRAMMELL. I yield.

Mr. KING. May I inquire of the Senator whether they attempt to fix rates where a railroad, or some of its branches, at least, passes beyond the boundaries of the State, but where the commodities have their origin within the State and are shipped to a destination within the State?

Mr. TRAMMELL. Mr. President, I am not familiar with the status in my State at the present time, but I know there has been some effort made to fix intrastate rates. As to the details I am not positive; I know the effort has been resisted by our State railroad commission.

Mr. SMITH of South Carolina. Mr. President, if the Senator will allow me, in the press reports, I think of yesterday, I saw that in the State of North Carolina it was reported that the Interstate Commerce Commission had fixed intrastate rates and in doing so had increased them over what they were previous to that action on the part of the Interstate Commerce Commission.

Mr. SMITH of Georgia. Their claim is, as I understand, that where the intrastate rates affect the interstate rates they have a right to control the intrastate rates. That is about the contention.

Mr. KING. I was about to inquire of the Senator from Florida, with his permission, if that view was not taken, how could they control the system and insure the returns which are provided in the Esch-Cummins bill? If they did not have control, then one State might establish such low freight and passenger charges as to make the operation of a road unprofitable, and an additional burden would then be laid upon people within other States. So it seems to me that the whole system as devised by the Esch-Cummins bill is wrong. It is foredoomed to failure, and we will soon be confronted with a railroad catastrophe the extent of which will exceed the gloomy forebodings of many persons to-day.

Mr. TRAMMELL. Mr. President, I will not attempt to go into the question of intrastate rates and the conflict which arises between State railroad commissions and the Interstate Commerce Commission. I will say, however, that prior to the existing law, or prior to the war, at least, when all control over intrastate rates by State railroad commissions was suspended, the policy of State control of intrastate rates was in existence in the country. In my own State and in other States of the Union the State commissions controlled the intrastate rates and the Interstate Commerce Commission controlled the interstate rates.

Mr. President, I was diverted a few moments ago when I had entered upon the question of the disposition, at least on the part of some of the railroads of the country, to act wisely in making rates and to try to make those rates conform somewhat to the needs of the industries involved; and yet sometimes when that is done it is in conflict with other particular sections of the country. As illustrative of what I mean, take the western roads.

The western roads haul oranges and grapefruit from the citrus-fruit centers of California to Philadelphia, New York, and the principal eastern markets at \$1.53 a crate, when the railroads in the East and in the South charge an average of about \$1.25 or \$1.30 per crate for hauling a box of fruit for only about one-third of the same distance. So this demonstrates the fact that railroads can haul the citrus fruits, at least from my own section of the country, cheaper than they are doing it and pursue thereby a policy of "live and let live." If that is not true, why is it that they haul them from California clear across the continent to the eastern markets for about 20 or 25 cents a crate more than is charged from the citrus-fruit localities of the South, which are almost at the door of these eastern markets?

We have another illustration of what railroads can do when they want to try to assist the industries of the country, either agricultural or otherwise, in my own State. Take the Florida East Coast Railroad. The Florida East Coast Railroad, being desirous of encouraging tonnage from Cuba, fixes a rate upon pineapples and oranges and other products from Key West, Fla., to Jacksonville that is practically the same as it is from Miami, Fort Lauderdale, West Palm Beach, Fort Pierce, and other Florida towns ranging from 100 to 200 miles nearer to Jacksonville than Key West.

Mr. PITTMAN. Mr. President, will the Senator allow me to interrupt him there?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Nevada?

Mr. TRAMMELL. Certainly.

Mr. PITTMAN. That illustrates the necessity of depriving the Interstate Commerce Commission of the right to permit a greater charge for a short haul than for a long haul. We have been suffering from that discrimination in the West for years, and are now. I am very pleased to have the Senator from Florida recognize the same discrimination in his own State, and I think that if Senators will look over their own States they will find that this discrimination exists in every State.

I have introduced a bill, which is now before the Interstate Commerce Committee, striking out the proviso which grants authority to the Interstate Commerce Commission to permit railroads to charge more for a short haul than for a long haul along the same line of transportation. I have that bill here now, and it is my purpose to offer it as an amendment to this bill when the proper time arrives. If that amendment is adopted, then, under the general act, that discrimination could not be consummated.

Mr. TRAMMELL. Mr. President, I was just speaking about the disposition of railroads to accommodate themselves to conditions when they wish to do so, and to haul from Key West to Jacksonville as cheaply as they haul from points 100 or 200 miles north of that within our own State. Of course, in that instance the advantage is given to the products of Cuba as against the products of the United States. That is what that means. It means that the railroads can bring in the Cuban oranges, the Cuban pineapples, and any other products that they haul, and put them on the northern markets and the eastern markets at a freight rate that is about equal to what our Florida people have to pay upon their similar products—a discrimination against Florida and the United States in the interest of Cuba on the part of this railroad company.

Mr. President, I propose that a new section be added to this bill. I send to the desk the amendment that I desire to offer.

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator desire its immediate consideration?

Mr. TRAMMELL. I desire to offer it to the bill.

The PRESIDING OFFICER. The Secretary will state the amendment.

Mr. TRAMMELL. I do not think this amendment accomplishes the purpose so well as the amendment presented by the Senator from Arkansas [Mr. KIEBY]. I believe that to repeal the law which fixes the amount that may be allowed would be better than to attempt to prescribe a maximum; but, as we can accomplish nothing along that line, I am intensely interested in the matter of trying to get better freight rates. Therefore I offer the amendment to cut down the percentage that they shall be authorized to make. If we can not get at this proposition in one way, then I want to get at it in another way, and therefore I propose this amendment.

Mr. President, I want it distinctly understood that there is no disposition on my part to keep the railroads from making a reasonable return upon their actual investment, but I do not believe that in order to have prosperity in this country you have got to allow the railroad interests to control and to dominate on the question of freight rates, on the question of passenger rates, and every other problem in which they are interested. I want to be fair with them, but I want them to be treated just as we treat every other interest in the country, and there are two sides to this question. You have got to consider the interests of the man who is to contribute the funds to support and maintain the railroads. If you crush him, if you crush his industry, then you have certainly killed and destroyed the goose that lays the golden egg.

The PRESIDING OFFICER. The Secretary will state the amendment of the Senator from Florida.

The READING CLERK. On page 2, after line 21, it is proposed to insert the following:

That paragraph 3 of section 15a of the Interstate Commerce act of February 4, 1887, as amended by an act approved February 28, 1920, be, and the same is hereby, amended as follows:

In paragraph 3, strike out the figure "5½" and insert in lieu thereof "3."

Mr. SMITH of Georgia. Mr. President, we can all remember the pressure under which the Esch-Cummins bill was passed. My recollection is that the President had announced a fixed purpose of returning the railroads to their owners on the 1st of March, and we were only two or three days from the 1st of March when this conference report came in.

I understood at the time that an effort was made to induce the President to postpone his order until July 1 that further time might be had to study this measure, and to put it in more satisfactory shape.

I found at the time many things in the bill that I did not approve, and the more I have studied it since the more things I have found in it that to me are very objectionable. I hope that Congress will take up that measure and remodel it in the near future under such circumstances that they can take their time and act in view of the experience we have had under the measure.

Passenger rates have gone up nearly 100 per cent above what they were in 1914. Freight rates have gone up enormously, and the freight rates now have almost passed the point where the traffic can bear them.

Passenger travel is lessening on account of the excessive rates, and I should not be at all surprised if the revenue of the railroads were decreased by the passenger rates charged. I know it must be decreased by the freight rates charged.

The freight rates on many commodities now are such that they can not be handled to market and be sold there. There are many commodities on which the freight rates are so high that the producer gets nothing if he ships them.

These are serious questions. If the railroads are obliged to have these excessive rates, then there is some trouble somewhere. On the one hand, it is charged that the managements are not efficient. We all know that the wages paid to some of the employees are excessive. If the employees, under a good management, are being paid more than the traffic can bear, then the employees ought to realize that they must be willing to reduce their compensation or give up their jobs, because the business will stop.

Mr. KELLOGG. Mr. President—

Mr. SMITH of Georgia. I yield to the Senator.

Mr. KELLOGG. The Senator is aware, is he not, that the rates of pay of the employees are fixed by the Railroad Wage Board?

Mr. SMITH of Georgia. Yes.

Mr. KELLOGG. And that the wages of employees on the railroads have increased since 1917 from \$1,739,000,000 to \$3,800,000,000—more than 100 per cent?

Mr. SMITH of Georgia. Yes.

Mr. KELLOGG. And that the railroads themselves have no control over those wages; that control is in the hands of the wage board?

Mr. SMITH of Georgia. Yes; but let me ask the Senator a question: Is not two-thirds of the wage board made up of employees and employers, or the majority, at least, made up of employers and employees?

Mr. KELLOGG. Two-thirds of the board were appointed from nominees by the employees and the employers; but there are three representatives of the public, and one of those must concur in order to raise wages, and they were raised last June \$625,000,000 above what they were before.

Mr. SMITH of Georgia. Now, if we guarantee to the operators a certain per cent of profit, and the operators and the employees make up a majority of the board, can they not cooperate to put up the pay of both?

Mr. KELLOGG. I do not think any such thing has been done. I think they are doing everything they can to reduce them. In fact, many of the railroads have discharged something like 20 per cent of the extra employees. The number of employees during Government operation, without any increase of business, was increased 237,000, which means an added charge of over \$300,000,000 a year, and those unnecessary employees are being discharged now.

Mr. SMITH of Georgia. Who did that?

Mr. KELLOGG. The Government operation increased the number something like 237,000 employees.

Mr. SMITH of Georgia. I have no doubt that many of the troubles grew out of Government operation. I never thought it necessary. I never thought there was any law under which they could be legally taken over.

Mr. KELLOGG. The Senator is aware that this 5½ per cent is not a guaranty. They are required to fix the rates as nearly as may be to produce that, but they do not produce such a sum, and I know that the commission and railroads realize that they can not make rates now which will produce 5½ per cent. As I suggested—and I do not know whether the Senator was in the Chamber or not—the actual income of the roads since the rates were increased last September is as follows:

In September, 1920, they earned 4.1 per cent upon the value fixed by the commission; in October, 4.6; in November, 3.3; in December, 1.1; or an average of 3.3 per cent.

Everybody realizes that they can not get the balance. Does the Senator believe Congress has any power to say that 3 per cent is a fair return upon property devoted to public use?

Mr. SMITH of Georgia. No.

Mr. KELLOGG. Has Congress any power to say that 3 per cent is a fair return?

Mr. SMITH of Georgia. No. But the Senator has been a student of this problem, and I want to ask him what the trouble is.

Mr. KELLOGG. Mr. President, I think if business in this country had kept up as it was in August and September and October of last year, the railroads would have been earning a fair and reasonable return. But, as the Senator knows, in November the bottom dropped out of business in this country. In my section of the country many of the roads' tonnage decreased almost 50 per cent. I think it is an extraordinary period, and I know that the railroads believe and the Interstate Commerce Commission believe that the traffic will come back, and when it comes back, with the gradual reduction of the operating expenses, they will be able and hope to reduce rates, and readjust the rates.

Mr. SMITH of Georgia. But does not the Senator think that the present rates are so high that they are an excessive burden upon commerce?

Mr. KELLOGG. I think in some instances they are, and I think they will be changed; but, as the Senator knows, we can not fix a schedule of rates by legislation.

Mr. SMITH of Georgia. Taking the whole scale of employees' pay, does the Senator think their pay is reasonable or excessive?

Mr. KELLOGG. I do not think the wages of some of the standard employees are too high, considering the cost of living. I think one of the great mistakes made by the director general was standardizing all wages of the United States. In other words, a man who is working upon the track in a country district in the South does not need, in order to live, the wages required by one working in New York City. A station agent on a railroad having one train a day should not be paid what a station agent who devotes his entire time to it in a thickly populated district having a heavy traffic gets. I think that has cost millions and millions of dollars, and that has to be readjusted. Of course, it is easy to look back and criticize, I realize, but another thing I think the director general made a mistake in was in unreasonably increasing the number of employees. Many of the heads of unions have told me and have written me that that was a fact, and many of the railroads have been enabled to largely cut down the number of their employees, some of them as high as 20 per cent, in certain branches of their business.

The standardization, which means in all industry stagnation, has cost the railroads of this country an enormous amount of money. But that can not be worked out in a day. They are doing all they can, I think, to work out that problem. This bill is to pay a debt which the Government owes.

Mr. SMITH of Georgia. I shall vote for this bill, although I find much to condemn in the Esch-Cummins Act.

Mr. KELLOGG. Furthermore, although I do not wish to take too much of the Senator's time, he must realize that when the roads were turned back, in March, 1920, they were practically not earning one dollar, and they were not allowed to decrease the pay of their employees for six months, or to increase their rates until the commission considered the whole subject. Not only that, but immediately after they were turned back, or a short time after, the wage board added \$625,000,000 more.

Mr. SMITH of Georgia. Why was that done?

Mr. KELLOGG. The wage board thought that the class of employees who were embraced in their order ought to have an increase, as I understand, and they granted it.

The Senator must realize that when the roads were taken over, after nine months' operation by the Government during the war, they were earning a gross income of about \$4,000,000,000 and a net income of \$898,000,000, enough to pay the interest on all their bonds, and many of them enough to pay a reasonable dividend and some of them a large dividend. In two years every dollar of the net earnings had been taken up in operating expenses, so that they were turned back without practically a dollar's income. I think the last month they were in the Government's hands they earned 0.94 of 1 per cent of their value as fixed by the commission.

Mr. KIRBY. Mr. President—

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Arkansas?

Mr. SMITH of Georgia. I yielded to the Senator from Minnesota.

Mr. KIRBY. I want to ask the Senator from Minnesota a question.

Mr. SMITH of Georgia. The Senator from Arkansas would like to ask the Senator from Minnesota a question, and if the Senator from Minnesota agrees I yield for that purpose.

Mr. KELLOGG. I will answer it if I can.

Mr. KIRBY. The Senator mentioned the wage board just now.

Mr. KELLOGG. Yes.

Mr. KIRBY. Is there any fair analogy between the wage board and the Interstate Commerce Commission, when this law required the Interstate Commerce Commission to allow the levy of rates high enough to pay 5½ per cent? Would the Senator think it was fair to say to the wage board that they should allow wages which would amount to a certain percentage? We did not prescribe anything in the wage law as to the percentage they should allow, but we prescribed in the case of the Interstate Commerce Commission that they should allow a rate which would return 5½ per cent, and that takes away the discretion of the Interstate Commerce Commission and destroys the right of the public to demand reasonable adjustments of compensation.

Mr. KELLOGG. The Senator will realize the fact that the 5½ per cent was put in for two years in order that the commission should have a standard to go by. Congress has power to provide that a public utility shall receive only a fair rate of income; for instance, we will say a fair rate of interest on its investment. That is the extent to which the power of Congress goes. Congress has no power to say that 2 per cent or 1 per cent or no per cent is a fair rate. The Wage Board was given power to consider all the wages and working conditions, and it did. I think perhaps they did not have the time to give it the careful study they should have given it, but they felt as though the increase which they gave in June, I think it was, was as to the class of employees which they considered entitled to a fair increase, and I am not in any position to dispute their judgment on that subject.

Mr. SMITH of Georgia. Mr. President, I agree with much the Senator from Minnesota has said. I realize the seriousness of the situation. I only wanted to emphasize, in behalf of those who are carried as passengers and those who furnish the freight, that they are now bearing burdens which they can not stand. Passenger travel is decreasing on account of excessive rates, and the freight traffic to-day can not stand the charges which are being put upon it. Transportation will be cut down and business be lessened unless rates are lowered.

It may be, it is entirely probable, that the Senator is right, that one of the blunders made was undertaking to standardize compensation everywhere. For instance, in the southern part of my State, where the climate is very mild and where but little coal is needed in the winter, and where lands are quite reasonable, section hands can pick up a living on a little piece of land almost while they do their regular work upon the roads, and yet they are being paid, I understand, over \$100 a month, when the same labor works upon the farm for \$30 a month.

If it was the standardization and unnecessary employments which have brought such burdens upon the traveling and freight-paying public, then there should be speedy changes to bring relief.

One thing is true, and owners and operatives of railroads might as well get it into their minds, something must be done to lessen the cost of carrying passengers and freight, or the business of the country will be paralyzed, and, in my opinion, part of the depression which rests upon business to-day is the excessive burden of transportation. I trust the railroad problem may at an early day receive full consideration, when the Esch-Cummins Act will be substantially changed. When that time comes I trust the rights of the great consuming and producing public may receive more consideration.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Florida [Mr. TRAMMELL].

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. FERNALD (when his name was called). Making the same announcement as on the previous vote, I vote "nay."

Mr. KENDRICK (when his name was called). Making the same announcement with reference to my pair with the Senator from New Mexico [Mr. FALL], I withhold my vote.

Mr. POMERENE (when his name was called). Again announcing my pair with the senior Senator from Iowa [Mr. CUMMINS], I am advised that he would if present vote the same way that I intend to vote. I therefore feel privileged to vote, I vote "nay."

The roll call was concluded.

Mr. HENDERSON. Making the same announcement with reference to my pair, I transfer that pair to the junior Senator from California [Mr. PHELAN] and vote "nay."

Mr. TOWNSEND. I wish to announce again that it is my understanding that the senior Senator from Arkansas [Mr. ROBINSON], with whom I am paired, would vote "nay" on this question, and I therefore feel at liberty to vote. I vote "nay."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Pennsylvania [Mr. PENROSE] with the Senator from Mississippi [Mr. WILLIAMS];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from Illinois [Mr. SHERMAN] with the Senator from Virginia [Mr. GLASS].

The result was announced—yeas 7, nays 61, as follows:

YEAS—7.

Ashurst	Gore	Harris	Trammell
Fletcher	Gronna	La Follette	

NAYS—61.

Ball	Hale	New	Stanley
Beckham	Heflin	Overman	Sterling
Brandagee	Henderson	Philpps	Sutherland
Calder	Hitchcock	Pittman	Swanson
Capper	Jones, N. Mex.	Poinexter	Thomas
Colt	Jones, Wash.	Pomerene	Townsend
Culberson	Kellogg	Ransdell	Underwood
Curtis	Kirby	Reed	Wadsworth
Dial	Knox	Sheppard	Walsh, Mont.
Dillingham	Lenroot	Shields	Warren
Fernald	Lodge	Simmons	Watson
France	McKellar	Smith, Ariz.	Willis
Frelinghuysen	McLean	Smith, Md.	Wolcott
Gay	Moses	Smith, S. C.	
Gerry	Myers	Smoot	
Gooding	Nelson	Spencer	

NOT VOTING—28.

Borah	Harrison	McCormick	Penrose
Chamberlain	Johnson, Calif.	McCumber	Phelan
Cummins	Johnson, S. Dak.	McNary	Robinson
Edge	Kendrick	Newberry	Sherman
Elkins	Kenyon	Norris	Smith, Ga.
Fall	Keyes	Owen	Walsh, Mass.
Glass	King	Page	Williams

So Mr. TRAMMELL'S amendment was rejected.

Mr. TRAMMELL. Mr. President, I desire to offer the same amendment, limiting the income to 4 per cent instead of 3 per cent, as proposed in the last amendment.

Mr. SMITH of Georgia. Mr. President, I wish to ask the Senator from Florida whether his amendment limits it to 4 per cent or limits the practical guarantee to 4 per cent?

Mr. TRAMMELL. It seeks to reduce the income from 5½ to 4 per cent.

Mr. SMITH of Georgia. It limits the figure at which the Interstate Commerce Commission must fix the freight rates so as to cover probably that amount?

Mr. TRAMMELL. That is my understanding of it. The present law does not prescribe a maximum, except in that it provides that after they earn more than a certain amount the excess shall be placed in the betterment fund. That is really the only maximum of limitation upon the amount that may be earned. The object of the law specifically sets forth that 5½ per cent would be considered a reasonable return, the standard being fixed, as I understood it, at the suggestion of the railroads of the country, doubtless because those interests were apprehensive that if this rate was not prescribed as a just and reasonable rate, then the Interstate Commerce Commission, exercising its jurisdiction in the matter of fixing just and reasonable rates, might see fit to fix a lesser rate. Of course, I know when we say the Interstate Commerce Commission may fix a rate as low as 3 per cent that they may, in their discretion, in the adjustment of rates, allow more than 3 per cent, and that means substantially more, as far as percentage is concerned.

I offer the amendment in the light of the disclosure here to-day that the railroads under the present rates claim they are not making more than 3 per cent. If they are not making over 3 per cent at the present time, we do not want to authorize them to extend or increase the existing rates. Instead, the rates, both freight and passenger, should be reduced.

It was based upon the information furnished by the Senator from Minnesota [Mr. KELLOGG] that the present rates were not producing 3 per cent, or very little over, that I offered the amendment to strike out 5½ per cent and to insert 3, and I now propose to strike out 5½ per cent and insert 4. I am not quibbling over percentages, but striking at the main issue involved, and that is whether the present existing rates shall be increased if the railroads desire to increase them. I say that it appears to me they can not increase them even if they have a desire to increase them. On the other hand, I insist, if the industries of the country which are supporting the railroads are to prosper, that the rates should be reduced, and if we bring about prosperity to

the industries we contribute to the earnings of the railroads, and instead of crushing those industries we will benefit them and the railroads themselves will be more prosperous.

Mr. MYERS. Mr. President, I should like to ask the Senator a question.

Mr. TRAMMELL. I yield.

Mr. MYERS. A majority of the railroads in the country now are not paying expenses and are not making enough to meet running expenses and the interest on their obligations. If the Senator is going to cut down the amount of revenue that they may earn upon their business, where would he have the money come from to pay the railroads' expenses and a reasonable rate of interest? Where will it come from? Where will they get it?

Mr. TRAMMELL. I suppose the query is based on the thought of the Senator that it should be done by increased freight rates and passenger rates.

Mr. MYERS. I am asking where the Senator would get the money? In what way could it be gotten?

Mr. TRAMMELL. I am not a railroad expert or an expert in the matter of freight rates, but I know, from the object lesson that we have before us, that the greatly increased rates do not produce an increased net income to the railroads. The fact is stated here by the Senator from Minnesota [Mr. KELLOGG] that they have earned very little over 3 per cent under the present basis of increased rates. Some one else will have to find a remedy and a means whereby to increase the percentage of earnings of the railroads that will be more successful than the present exorbitant rates. They have not brought about that result. In my opinion more reasonable rates would increase the volume of railroad business and that would increase the net earnings of the roads. Certainly when the rates are so high that they cause a great reduction in the tonnage moved you do not help the finances of the roads.

Mr. MYERS. Does the Senator know the reason why the railroads are not making operating expenses and a reasonable rate of interest?

Mr. TRAMMELL. I do not know all the reasons why they are not doing it. One strong reason is their earnings have been very much reduced because they are paralyzing great industries, simply paralyzing them, by overtaxation in the nature of exorbitant rates. In my own State fields of lettuce and other crops are going to waste, and in some instances the farmers have become disgusted and disheartened and are plowing them up because they can not afford to pay \$400 or \$500 freight on a carload of produce shipped to Philadelphia or New York, a distance of twelve or fourteen hundred miles.

Mr. MYERS. I would suggest to the Senator that one very cogent reason is the fact that the railroads are paying their employees now more than \$2,000,000,000 per year in excess of what they did before the Government took the railroads over before the war.

Mr. TRAMMELL. That is very true, and the railroads are wanting greater earnings than they ever had heretofore. They have more than doubled their rates. That seems to be the trend and tendency of the times, as I think it has been in all other times, for almost everybody to get everything they can. Of course, the employees have had their wages increased, and in a great many instances very justly so and probably in some instances not justly so, but that does not relieve the fact that a great part of the increase in freight rates does not go to the employees. Recently, in traveling, I have heard much complaint about passenger and Pullman charges. Those kicking almost invariably ascribe all of the increase absolutely to labor. It seems to me that that is the disposition of my friend from Montana; that is, I infer so from his suggestion.

Mr. MYERS. I named that as being one of the principal factors, and I think it is.

Mr. TRAMMELL. That is by no means the only one, but it is very seldom that I ever hear of others.

Mr. MYERS. If the Senator has in mind others, I wish he would name them.

Mr. TRAMMELL. The freight rates under the present law was increased ranging from 25 to 43 per cent, and, with juggling, I believe, in many instances, the increase ran up to 50 per cent, absolutely paralyzing many of the industries of the country. The whole increase has been ascribed to the burden imposed by the expense for labor; it was said by some that labor caused all the increase.

This can not be true. As a matter of fact, it was published in the Washington newspapers at the time that of the last rate increase about 16 per cent represented the increased wages of labor, and 84 per cent was due to other causes, such as expenditures for improvements, and engines, betterments, and I do not know what all; but, at any rate, labor was having to

answer for the whole hundred per cent increase, when it was demonstrated that only 16 per cent of it was due to the increased price of wages. Let us be fair.

I do not know the details of the amounts paid to the different employees of the railroads. I know that it is claimed that some of them are getting too much under present conditions; but in a great many instances, probably in a majority of instances, for the class of work they do, for the responsible positions which they occupy, for the danger to which they are subjected, they are not receiving too much compensation, considering the present high costs of living. I do not think that we should in protesting against excessive railroad rates assume that they are excessive because of the fact that the laboring man's wages have been increased. Every element bringing about the high rates should be considered. That is the only fair way to look upon the question.

Mr. MYERS. I do not think that any of them are getting too much, but I merely mentioned that fact to show that that is where more than \$2,000,000,000 a year go in excess of the amount paid two years ago.

Mr. TRAMMELL. If we wish to take up the question of slicing wages, let us start at the head of the list; let us eliminate the salaries of \$50,000 and \$100,000 which are now paid to railroad presidents and directors. I hear talk about the flagman and the conductor and the engineer and the trainman, who occupy the more humble positions, getting too much wages, but for the first time I have to hear the Senator who complains at this rise in the Senate and condemn the practice of paying excessive salaries to the big officials of the railroads.

I believe in starting at the top of the list when we come to trim. I remember one instance during my official connection with a public position in my State. It was when the European war came on and the cry of the times was "Reduce wages; trim your sails and get ready for hard times." So it was suggested that wages on certain public work be reduced 10 per cent. We had probably 300 or 400 men engaged in that particular work. That is where they wanted to start. It was proposed to start by reducing the salaries of those poor fellows, a great many of them wading around in the mud, a great many of them sleeping with a lightwood knot for a pillow at night. They proposed a 10 per cent reduction in the wages of that kind of employees. I said, "Gentlemen, if you want to cut down wages 10 per cent, let us start at the top of the ladder, with those who are receiving the largest salaries. Suppose we reduce the salary of each one of the State officials, including myself, 10 per cent and put into the State treasury the amount thus saved. It goes without saying that the salaries were not reduced. I have not gone into the wage question of the railroads with any minuteness, but I say, Mr. President, that in justice and in fairness if we are going to talk about excessive amounts being paid for wages to those who are operating and maintaining our railroads, then we might say a little something with some sense of propriety about those receiving the enormous salaries of \$50,000, \$75,000, and \$100,000 to direct these great enterprises; but we never hear anything about that.

I offer the amendment, Mr. President. I am not sticking on the question, as I have said, of percentages. I know 3 per cent sounds small, 4 per cent sounds small, but the present freight rates which are being imposed upon the people do not sound small, and in their burdens they are not light and frivolous, but they are imposing taxes upon the people of the country that are practically beyond endurance. I think the rates should be revised and made so equitable and reasonable that industry, agricultural and otherwise, would be encouraged instead of hampered as at present under existing rates.

It has been stated here upon the floor that the present schedule of rates earns but a very small fraction over 3 per cent. The question has been asked how are the railroads going to pay their bonds? Well, how are they paying them now? Is it proposed to increase the rates and decrease business? That has been about the result of it. We had better have a little decrease of rates and an increase of tonnage to the railroads and an increase of fostering and prospering of the industries of the country which necessarily have to contribute to the freight burden. Again I say I want to be fair to the railroads but I want them to be fair to those who pay the freight. The present high rates have not made the railroads prosper and I would like to see them prosperous, and with nothing accomplished for the companies disaster has fallen upon many of the industries of the country as a result of the high rates. We need a remedy.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Florida [Mr. TRAMMELL].

The amendment was rejected.

Mr. HARRIS. Mr. President, several weeks ago I took up the question of railroad rates with the Interstate Commerce Commission. I ask unanimous consent to be allowed to print in the RECORD the correspondence with the commission on the subject.

The VICE PRESIDENT. Without objection, it is so ordered. The matter referred to is as follows:

DECEMBER 21, 1920.

HON. EDGAR E. CLARK,

*Chairman Interstate Commerce Commission,
Washington, D. C.*

MY DEAR MR. CHAIRMAN: It has been brought to my attention by many people in Georgia and those whom I see here that the present high passenger and freight rates are doing more to decrease the amount of income received by the railroads than if a lower rate was in effect, which would cause more freight to move and more people to travel. In other words, the railroads are not carrying an average maximum of freight and passengers since the increase in rates. Of course, the commission doubtless has figures on this question which throw more light than I can by general observations.

It is needless for me to point out to you and the commission that the railroad situation is a problem which has not been solved to any great degree by the transportation act of 1920. The thing which I am greatly interested in is the matter of freight and passenger rates to be placed within reach of the average person, and at the same time give the railroads a reasonable income for their investment. Both the public and the roads deserve an honest living, but I fear that both are now suffering. Because of high freight rates there are products in my State which are now being shipped in such small quantities in comparison with production and demand.

I hope that an adjustment can soon be made which will bring down the rates, and I would thank you to let me have any information on the matter at your convenience which may have been gathered or published by the commission.

With high esteem, I am,
Very sincerely, yours,

WM. J. HARRIS.

*INTERSTATE COMMERCE COMMISSION,
Washington, December 22, 1920.*

HON. WILLIAM J. HARRIS,

United States Senate.

DEAR SENATOR: I have your letter of the 21st, referring to expressions that have reached you to the effect that the existing passenger fares and freight rates are so high as to reduce travel and traffic, and consequently the revenues of the carriers.

Your expressed desire to see freight rates and passenger fares "placed within reach of the average person and at the same time give the railroads a reasonable income for their investment" is one in which we all cordially join. The railroad owners and managements naturally put the maximum estimate upon their necessities and deserts. The average shipper or traveler naturally minimizes the necessities and deserts of the roads and puts the maximum estimate upon his own interests and rights. It is no simple problem to strike the balance of right and equity as between the two. Times are abnormal and conditions generally are affected by the aftermath of the war. It is trite to say that the country must get back to a more normal condition and more normal bases for commerce, industry, and transportation. It is not to be expected that we will get back to prewar prices for labor, commodities, or for transportation, but it is to be expected and really is necessary to get back to a situation in which the prices of labor, commodities, and transportation will bear proper relative proportions.

The transportation act became law coincidentally with the termination of Federal control of the roads. The period within which the readjustment of rates contemplated by that act and recognized as necessary by everybody must be made was short, and the matter had to be dealt with in a broad and somewhat general way. The propriety of that line of action was recognized by those interested on both sides, as was also the necessity for readjustments. Naturally in those readjustments the interests of the carriers and of their patrons are in conflict and their views diverge. The financial results from operation of the roads by the Government are well known, as is also the fact that the level of operating expenses had risen out of all proportion to the revenues from the then existing rates. The operating ratios were and still are abnormally high, and it is by no means certain that even with the existing level of rates the carriers can under the existing level of operating expenses, the principal items of which are wages and

fuel, earn a "reasonable income for their investment." We are endeavoring to keep abreast of the situation. We are exercising our powers in so far as seems appropriate to prevent unreasonable or inappropriate increases in charges by the carriers and cooperating with the carriers and the shippers in bringing about appropriate readjustments through reductions in charges, especially where it appears that the existing charges are such as to prevent the movement of the traffic. I think you are entirely correct when you say "both the public and the roads deserve an honest living, but I fear that both are now suffering."

There has been a substantial reduction in the amount of freight offered for transportation. This has resulted in large part from the closing down of industries, prominent among which may be mentioned iron blast furnaces, woolen mills, and automobile factories, and to the shortening of time of operation in many other manufacturing and industrial enterprises. We know that the grain crop of the West has not moved this year in normal quantities, and that an unusual proportion of the crop remains on the farms. This is because of unsatisfactory prices and the holding back of grain in the hope of improvement. I think that in a general way the same is true with regard to the movement of the cotton crop.

On the question of whether or not readjustment is proceeding too rapidly or too slowly, diametrically opposed views are entertained by different ones. Many suggestions for relief through Federal aid and otherwise are brought forward, and each has its advocates and its opponents. The times are such as call for the best thought on the part of all thinking men in order that the best advice may be given to those who are not in a normal frame of mind and who are disposed to act without carefully thinking through the proposition which they support.

The commission has not published any information as to these matters other than that contained in its thirty-fourth annual report, which was submitted to the Congress in the early part of this month, excepting that which is contained in our statistical periodical reports relative to earnings, expenses, and movement of traffic by the railroads. Copy of our annual report was sent to you. If you would be interested in our statistical sheets, I shall be glad, upon such advice from you, to furnish you with them.

I thank you for, and cordially reciprocate, your good personal wishes, and I am,

Yours, very truly,

EDGAR E. CLARK,
Chairman.

Mr. LA FOLLETTE. Mr. President, I offer an amendment to the pending bill.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On page 2, after line 21, it is proposed to insert the following:

(C) That no payment of money shall be made to any railroad company under this act except and until it shall be determined by the Interstate Commerce Commission, upon full investigation, and finding duly entered thereon, certifying (1) that such railroad company has not, since March 1, 1920, paid or contracted to pay unreasonable and extravagant prices for railway supplies, equipment, repairs, and renewals charged to its maintenance account, or (2) that it has not paid or agreed to pay unreasonable sums as salaries to its officers or directors, or (3) that it has not otherwise managed and conducted its business in a dishonest, inefficient, or uneconomical manner in violation of the terms of the transportation act of 1920.

Mr. LA FOLLETTE addressed the Senate. After having spoken for nearly an hour and a half, he said:

May I ask the Senator from Michigan how long he proposes to have the Senate sit this evening?

Mr. TOWNSEND. If I can have my way about it, I want the Senate to stay in session until this bill is disposed of, or until a unanimous-consent agreement is made to vote upon it some time to-morrow. I am willing to submit a proposed agreement at any time the Senator desires, if he will permit us to fix an hour to-morrow, however late. If we can agree upon an hour to vote, I am willing to lay the bill aside at any time when the Senator gets tired and wants to stop. But I do feel that unless such a consent agreement can be made the Senate ought to remain in session.

Mr. LA FOLLETTE. I am willing to go on for a while longer.

Mr. TOWNSEND. Mr. President, I feel, in deference to the Senator from Wisconsin, that I ought to ask the unanimous consent of the Senate at this time to fix an hour to vote to-morrow, and if I can do that, I shall be perfectly willing to take a recess, and allow the Senator from Wisconsin to proceed in the morning at 11 o'clock.

Mr. LA FOLLETTE. I shall be very glad to proceed at that time. I am a little weary.

[Mr. LA FOLLETTE's speech will be published after it shall have been concluded.]

Mr. TOWNSEND. I have not the form, but I think it will be well to determine first whether anyone is going to object to it. If not, I will submit the regular form, which will require, of course, a call of the roll, in order to take the sense of the Senate.

Mr. SMITH of South Carolina. What is the request?

Mr. TOWNSEND. To fix an hour to-morrow at which we can vote on this bill. I will try to fix the hour to accommodate the Senate, because it does not make a bit of difference to me what hour is fixed.

I ask unanimous consent that to-morrow at 5 o'clock this bill and all amendments made or pending thereto shall come to a vote.

Mr. POMERENE. Without further debate?

Mr. TOWNSEND. Without further debate after 5 o'clock.

The PRESIDING OFFICER (Mr. HARRIS in the chair). Is there objection? The Chair hears none.

Mr. TOWNSEND. It is necessary that the roll shall be called.

Mr. GRONNA. Would the Senator from Michigan have any objection to the Senate taking up the Agricultural appropriation bill for an hour or so this evening, with the assurance that the railroad bill will be the unfinished business?

Mr. TOWNSEND. I have no objection at all.

Mr. GRONNA. I believe we could work for an hour to-day on the Agricultural appropriation bill.

Mr. TOWNSEND. I have no objection to that.

Mr. GRONNA. I assure the Senator that his bill will be put back as the unfinished business.

Mr. CURTIS. That can be done by temporarily laying the pending bill aside.

Mr. TOWNSEND. I shall ask to have the bill laid aside as soon as this unanimous-consent agreement is entered into, so that the Senate can take up the Agricultural appropriation bill.

The PRESIDING OFFICER. The Senator from Michigan asks unanimous consent that at not later than 5 o'clock to-morrow the Senate shall vote on the pending bill and all amendments thereto. The Secretary will call the roll to ascertain the presence of a quorum.

The reading clerk called the roll, and the following Senators answered to their names:

Brandegge	Harris	Nelson	Spencer
Calder	Harrison	New	Stanley
Capper	Heflin	Overman	Sterling
Curtis	Johnson, Calif.	Owen	Sutherland
Dial	Jones, Wash.	Phipps	Swanson
Dillingham	Kellogg	Pittman	Thomas
Edge	Kendrick	Polindexter	Trammell
Fernald	Kirby	Pomerene	Underwood
Fletcher	Knox	Ransdell	Wadsworth
Frelinghuysen	La Follette	Reed	Walsh, Mont.
Gay	Lenroot	Sheppard	Warren
Gerry	McKellar	Shields	Willis
Glass	McLean	Simmons	Wolcott
Gooding	McNary	Smith, Md.	
Gronna	Moses	Smith, S. C.	
Hale	Myers	Smoot	

The PRESIDING OFFICER. Sixty-two Senators have answered to their names. There is a quorum present.

Mr. TOWNSEND. I now present the following unanimous-consent agreement.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be read.

The reading clerk read as follows:

It is agreed by unanimous consent that at not later than 5 o'clock p. m. on the calendar day of Tuesday, February 22, 1921, the Senate will proceed to vote without further debate upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 15836) to amend the transportation act, 1920, through the regular parliamentary stages to its final disposition; and that after the hour of 2 o'clock p. m. on said calendar day no Senator shall speak more than once or longer than 20 minutes upon the bill, or more than once or longer than 10 minutes upon any amendment offered thereto.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? The Chair hears none, and it is so ordered.

Mr. TOWNSEND. Mr. President, I now ask unanimous consent that the unfinished business be temporarily laid aside in order that the Senator from North Dakota [Mr. GRONNA] may move to take up the Agricultural appropriation bill. I do this on the assumption that no one wishes to speak on the railroad partial-payment bill this evening.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan? The Chair hears none, and it is so ordered.

Mr. UNDERWOOD. I would suggest to the Senator from Michigan, in order that the unfinished business may be before the Senate, that we agree at this time to take a recess instead of an adjournment.

Mr. GRONNA. I have assured the Senator from Wisconsin that I will move a recess.

Mr. UNDERWOOD. But we might fail to get a quorum later.

Mr. TOWNSEND. I ask unanimous consent that when the Senate concludes its session this evening, it will take a recess until tomorrow morning at 11 o'clock.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AGRICULTURAL APPROPRIATIONS.

Mr. GRONNA. I ask unanimous consent that the Senate proceed to the consideration of the bill (H. R. 15812) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1922.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill H. R. 15812, which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. GRONNA. I ask unanimous consent that the formal reading of the bill be dispensed with and that the committee amendments be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMITH of South Carolina. I should like to ask the Senator in charge of the bill if, without prejudicing the position that his bill occupies, he will allow me to call up now the motion made the other day by the Senator from Washington [Mr. JONES] to reconsider the vote whereby the Senate at that time unanimously authorized the Committee on Agriculture and Forestry to make certain investigations. I do not think it will take very long. The matter is of vital importance to the agricultural interests and will be in charge of the Committee on Agriculture and Forestry, and they will use such wisdom and discretion regarding the investigations as they may think the circumstances justify.

Mr. GRONNA. I wish to show all the courtesy possible to every Member of the Senate. Will it, in the opinion of the Senator, lead to any discussion?

Mr. SMITH of South Carolina. I think not. The Senator from Washington seemed the other day to feel that perhaps he had not been given an opportunity to express himself on the resolution. I wish to assure him now that I did not understand that he desired to have anything to say upon it.

Mr. JONES of Washington. If the Senate desires to consider the matter at this time, I shall not object to its coming up, and so far as I am concerned, I do not expect to take more than 5 or 10 minutes in discussing it.

Mr. SMITH of South Carolina. I hope the Senator from North Dakota will allow us to consider the motion to reconsider, and if it takes any length of time, of course, I will ask to have it postponed again.

Mr. GRONNA. I hope the Senator will not insist on considering the resolution and motion if it takes more than 10 or 15 minutes.

Mr. SMITH of South Carolina. I shall not, because I assure the Senator that I am as anxious for the passage of the Agricultural appropriation bill as he is, and it is in accord with that bill and in the interest of agricultural communities that I am asking that the resolution be disposed of now.

The PRESIDING OFFICER. Without objection, the Agricultural appropriation bill will be temporarily laid aside.

THE COTTON AND WHEAT SITUATION.

Mr. SMITH of South Carolina. I ask the Chair to lay before the Senate the resolution.

The PRESIDING OFFICER. The Secretary will read the resolution.

The READING CLERK. Senate resolution 443, by Mr. SMITH of South Carolina, agreed to on the 17th instant, and on the 18th instant the Senator from Washington [Mr. JONES] entered a motion to reconsider the vote by which the resolution was agreed to. The resolution is as follows:

Resolved, That the Committee on Agriculture and Forestry, or any subcommittee thereof, be, and hereby is, authorized to make an investigation to ascertain the amount and grades of cotton and wheat now held in this country; to send for persons, books, and papers; to administer oaths; and to employ a stenographer, at a cost not exceeding \$1.25 per printed page, to report such hearings as may be had in connection therewith, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recess of the Senate.

Mr. JONES of Washington. Mr. President, when the resolution came up the other day I was in the Committee on Appropriations. I had had some talk with the Senator from South Carolina [Mr. SMITH] with reference to it. I had objected to the passage of the resolution when it was reported. Finally, I

told the Senator from South Carolina that I would withdraw my objection to the consideration of the resolution, but I thought I made it perfectly plain to him that I desired to be present when the resolution was considered, because I wanted to ask some questions about it. He evidently misunderstood my position. I have no idea that he intended to take advantage of my absence at all, but I did desire to be here when the resolution was considered.

I wish to call the attention of the Senate to the character of the resolution and the scope of it, and then if the Senate thinks that it ought to be passed, or rather, that the motion to reconsider ought not to prevail, I shall have no complaint, so far as the action of the Senate is concerned.

In the first place, when I objected to the resolution, the Senator from South Carolina stated that it would expire with this Congress; that it could not cost very much; that it could not take very much time; and there could not be any very extended investigation made because it must expire with the present Congress. When it was called up it was amended so that the resolution as passed by the Senate is far more objectionable to me, so far as I am concerned, than it was in the first instance. It is now unlimited in time, and the committee may take all the time that it considers necessary in investigating the matter.

The resolution as passed authorizes the Committee on Agriculture and Forestry, or any subcommittee thereof, to make an investigation to ascertain the amount and grades of cotton and wheat now held in this country.

That is a broad authority—"to make an investigation to ascertain the amount and grades of cotton and wheat now held in this country." How long it will take them to do that nobody can tell; how many agents they may employ to gather this information no one can tell. They are authorized to employ all the agents they deem to be necessary to get the information that is desired.

Mr. President, in order to make this information of any particular value it must be complete and accurate. What use can be made of information that is not certain with reference to the amount of cotton in the country or that is not certain with reference to the amount of wheat there is in the country? What use of any value can be made of such information I can not see.

Mr. STERLING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from South Dakota?

Mr. JONES of Washington. I yield to the Senator.

Mr. STERLING. I should like to ask the Senator from Washington if this work might not well be done, if it is reasonably necessary, by the Department of Agriculture rather than by a committee of the Senate?

Mr. JONES of Washington. I think so. As a matter of fact, I know that at certain intervals the Department of Agriculture gives out a statement as to the amount of wheat and the amount of cotton on hand. I am not a member of the Agricultural Committee; I do not know very much about the details of this matter. I have myself often thought instead of being a benefit that the giving out of such statements is an injury to the cotton growers and the wheat growers of this country, and that it simply plays into the hands of speculators and allows them to manipulate the market. I may be wrong about that; I do not know; but that is the way it has appeared to me.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Utah?

Mr. JONES of Washington. I yield.

Mr. SMOOT. Does it not also appear to the Senator from Washington that if the reports to which he refers as being given out by the Agricultural Department are not correct, we ought entirely to stop appropriating money for them?

Mr. JONES of Washington. I think so.

Mr. SMOOT. If the Bureau of Markets, which collects these statistics, reports conditions which do not exist and their reports can not be relied upon, they are worse than no reports at all; and yet it costs thousands and tens of thousands of dollars to get those reports.

Mr. JONES of Washington. As I understand, the Department of Agriculture has agents in every county throughout the United States to send in reports with reference to the amount of wheat and cotton, and so forth, in the United States which is on hand. Now, what is it that is proposed to be done by this resolution? It is proposed by the resolution to authorize the Committee on Agriculture and Forestry to ascertain the same facts. If the Agricultural Department, represented by an agent in every county in the country, can not get accurate information, how many agents will the Committee on Agriculture have to employ in order to secure accurate information as to the amount

of cotton or the amount of wheat which is on hand? Mr. President, it seems to me that to do effectively and properly what the resolution calls upon the Agricultural Committee to do will cost thousands upon thousands of dollars.

Does the Senate desire in the closing hours of this Congress to authorize an investigation of that character? I did not think that it ought to be done; I did not think that the committee, even during the remainder of this session, should try to obtain this information; I did not think they could get information that would really be of value before this Congress closed; and it seemed to me that if the Agricultural Department, for which we have been furnishing appropriations for years and years—and I have always been glad to vote for those appropriations to perform these services in the interest of the farmer—could not secure the information which this resolution seeks, it would be impossible for the Committee on Agriculture to get the information, at any rate, at any reasonable expense.

By the resolution the Committee on Agriculture and Forestry is authorized to call for persons and books and papers and all that sort of thing; in other words, it is given all the power that we have given various committees in connection with investigations which have cost the Government many thousands of dollars. I do not know what showing was made to the Committee on Agriculture in reference to the resolution. I think I shall ask the Senator from South Carolina if the resolution was acted upon at a regular session of the Committee on Agriculture when there was a quorum of the committee present?

Mr. SMITH of South Carolina. Mr. President, I introduced the resolution in the Senate and asked for its immediate consideration. That was objected to by the Senator from Washington, who now occupies the floor. The resolution did not have to go to a committee, but it was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

I tried to point out at the time I introduced the resolution, as I have since pointed out, that there is such a duplication of work in our departments, such a conflict in the statistics that are given out, that the public at large, neither the consumers nor the producers of these two commodities—I know of my own knowledge as to cotton—nor anyone else knows accurately in reference to the matter. We have no information that is reliable on the subject.

As I pointed out here, they claim that among their sources of information are the Liverpool Gazette, the Liverpool Association, and the New Orleans Cotton Exchange.

Mr. JONES of Washington. Who claims that?

Mr. SMITH of South Carolina. The Bureau of the Census, which brings in these figures.

Mr. JONES of Washington. What about the Department of Agriculture?

Mr. SMITH of South Carolina. The Department of Agriculture furnishes some figures, the Bureau of the Census furnishes some, and the Bureau of Markets furnishes some. The result is that there is "confusion worse confounded." In the meantime those who are producing the crops have no accurate knowledge of what will be the condition of their market. I thought that an impartial body, like the Committee on Agriculture of the Senate, could obtain information from every source, could sift it down, find the facts, and let the public know them without fear of duplicating the work of anyone else. It was for that reason that I introduced the resolution.

I state here and now that I appreciate the position which the Senator from Washington takes; that having certain departments and bureaus we should call upon them for the desired information; but time and again I have called upon them and there would come in a report from one, and then it would be found that the source of their information was so unsatisfactory and the information itself was in such shape as to be of little, if any, value. Surely, the committee may call these officials and ascertain the sources of their information and get to the bottom of the situation, which spells millions upon millions of dollars to the people of the country.

Mr. JONES of Washington. I take it from what the Senator from South Carolina says that the resolution has not gone to the Committee on Agriculture at all?

Mr. SMITH of South Carolina. The resolution did not have to go to the committee.

Mr. JONES of Washington. I know it did not have to go to the committee, but often such resolutions very properly go to a committee; and a resolution that involves so much as this certainly ought to have gone to the Committee on Agriculture, and that committee ought to have considered whether or not it should pass, and whether there was such lack of information on the part of the Department of Agriculture as necessitated investigation by the Committee on Agriculture. The Senator

from South Carolina would discredit the Department of Agriculture.

Mr. SMITH of South Carolina. The Department of Agriculture is not the agency that sends in these statistics; it is the Census Bureau.

Mr. JONES of Washington. The Bureau of Markets gathers such information, does it not?

Mr. SMITH of South Carolina. The Bureau of Markets does not cover this information except in part. The Bureau of the Census, the Bureau of Markets, and the Agricultural Department all contribute a part of the information.

Mr. JONES of Washington. Does not the Bureau of Markets give out estimates from time to time as to the amount of crops, the amount of corn, the amount of wheat, the amount of cotton, and all that sort of thing?

Mr. SMITH of South Carolina. Sometimes they give a preliminary estimate, but the Census Bureau is the organization charged with gathering the statistics as to the amount of the supply and the distribution of grain and other crops.

Mr. JONES of Washington. The Senator, then, would discredit the Census Bureau and the figures and facts which it reports?

Mr. SMITH of South Carolina. Precisely; but it is not a question of discrediting anybody; it is a question of the conflicting reports coming from the different agencies of the Government.

Mr. JONES of Washington. They are all discredited, then.

Mr. SMITH of South Carolina. Exactly; but by an investigation on the part of the committee the facts would be disclosed and that situation would be changed.

Mr. JONES of Washington. If the committee should bring in a report showing a different amount from that shown by the figures reported by any of the agencies named by the Senator, then they would all be discredited.

Mr. SMITH of South Carolina. The Department of Commerce is charged with the duty of investigating matters in connection with the coal industry; but at the present time the Senate has a special committee investigating that same subject. Does the Senator pretend to say that no good has come out of the investigation of the Senate committee?

Mr. JONES of Washington. Oh, Mr. President, that investigation was not to find the amount of coal on hand; the purpose of that investigation was entirely different from the purpose of the investigation proposed by the resolution of the Senator from South Carolina.

Mr. SMITH of South Carolina. I beg the Senator's pardon.

Mr. JONES of Washington. The purpose of the investigation proposed by the Senator is to ascertain the amount of certain products on hand.

Mr. SMITH of South Carolina. The investigation of the coal situation on the part of the Senate committee had to do with the supply and distribution of coal.

Mr. JONES of Washington. I understand that; but the purpose of that investigation was entirely different from the one proposed by the resolution of the Senator from South Carolina; it had an entirely different object, and its scope was of an entirely different character. I take it that the Senator has not very much confidence in these governmental agencies which we have been supporting here for so many years. If he desires an investigation of the Census Bureau, or an investigation of the Bureau of Markets, or an investigation of the Agricultural Department, that is another matter.

The Senator suggests that the Committee on Agriculture could call the representatives of the Department of Agriculture before it and ask them where they got their information. It can do that without adopting the resolution, and that is what ought to be done. Instead of coming in here and asking authority on the part of the Senate to make a nation-wide investigation to ascertain the amount of wheat and the amount of cotton on hand, we ought to let the Committee on Agriculture call in the representatives of the department and ask them how they got their information, where they got it, and whether or not it is reliable. Then would come the time to determine, if the committee was not satisfied with the sources of information or the manner in which it was gathered, whether or not it wanted to make an independent investigation itself.

Mr. President, I think that is all that I care to say. It looks to me as though the resolution proposes an unnecessary investigation, that it will be a very expensive one, and that when the information is obtained it will not be of any value.

Let me add a word further. Suppose the committee should report to-morrow that there are 100,000,000 bushels of wheat on hand in this country, what value would that be in a week from now, or two weeks from now, or a month from now? Suppose it should report in a month from now that there is so much

cotton on hand at that time, what value would that be in a month from that time or in two months from that time? What value would such information be to the man who raised wheat or cotton last year, and what value would it be to the man who will have cotton or wheat next October?

So, Mr. President, I can see nothing in the adoption of the resolution but expense to the Government of the United States, and then a further club in the hands of the speculator to manipulate the markets in these products when the committee's report shall be filed.

Mr. HEFLIN. Mr. President, I am sure the Senator from Washington does not understand the situation. I do not believe he would oppose this resolution if he did. There are so many conflicting reports and rumors as to the real cotton supply of the United States that they are injuriously affecting the price.

The Senator wants to know how we go about getting these statistics. I want to say to him that there are nearly a thousand of these agents regularly employed in the cotton-growing States to report the amount of cotton ginned and on hand at the factories and warehouses. This committee can work through these men, but there is no fund that could pay them for this small amount of extra work, because this is out of the season for that; and it would not take much. It would not take much to employ the same agents in the wheat-growing States to give that information. I submit to the Senator that when this report was made it would set at rest all of these conflicting rumors, because here would be a specific investigation of the subject, and the truth would be ascertained.

I want to read a resolution passed at a bankers' convention in the greatest cotton-growing State in the Union, and I call the attention of the Senator from Washington to it:

Whereas there are many conflicting reports of the amount, kind, and quality of cotton carried over each year, called "surplus," and it is very vital to the South to know the exact amount of such carry-over and the quality of it: Therefore be it

Resolved by the Fifth District Bankers' Association of Texas, now in session, That we most heartily indorse the action of Senators E. D. SMITH of South Carolina and J. THOMAS HEFLIN of Alabama in their efforts to have the National Government find the amount, kind, and quality of cotton on hand of American production, and that we urge our Senators and Congressmen and those of the entire South to support the efforts of Senators SMITH and HEFLIN in this important move.

This resolution was unanimously adopted by this convention of bankers in the State of Texas. It means a great deal to us, Mr. President. I do not think it would cost at the outside over \$20,000, perhaps not half that amount, and I submit that it would be of value in this regard:

We know how much cotton of the American crop is consumed each year, and if these statistics give us the truth we will know how much of that cotton is now on hand. A great many linters were bought by the Government for powder-manufacturing purposes during the war. They are on hand. We charge that they are being counted in the cotton supply, and they are not spinnable. We charge that a vast deal of unspinnable cotton is being counted in the cotton supply, and it ought not to be. These agents of the Government can speedily ascertain the truth, and it will be of value to some thirty-odd millions of people in the cotton-growing States, and it will be of value to the people in the wheat-growing States to know the absolute truth.

I hope, therefore, the Senator will not oppose this resolution. I voted very cheerfully this morning to appropriate \$5,000,000 to go to the rescue of the drought-stricken farmers of the Northwest, and I do not think the Senator from the State of Washington ought to oppose the expenditure of a few thousand dollars to get this valuable information for the farmers of the South and the great West. I trust, therefore, that he will withdraw his opposition.

Mr. STERLING. Mr. President, if there were no other means of getting the information provided for in this resolution, I should not oppose it; but the resolution calls for a duplication of work which is confided to another department of the Government—the Bureau of Markets of the Department of Agriculture.

It is only necessary for me to call attention to the present appropriation bill to show that, and I am sure that the language is exactly the language of the last Agricultural appropriation bill. I read from page 74, under the head of "General expenses, Bureau of Markets," and not alone the "Bureau of Markets" but the "Bureau of Markets and Crop Estimates":

For collecting, publishing, and distributing, by telegraph, mail, or otherwise, timely information on the market supply and demand, commercial movement, location, disposition, quality, condition, and market prices of live stock, meats, fish, and animal products, dairy and poultry products, fruits and vegetables, peanuts and their products, grain, hay, feeds, and seeds, and other agricultural products.

Mr. HEFLIN. That is for the next crop, if the Senator will permit me.

Mr. STERLING. The appropriation for that one item is \$300,160. Now, let me call attention to this, which is really

more pertinent to the resolution than what I have read. I read from page 76:

For collecting, compiling, abstracting, analyzing, summarizing, interpreting, and publishing data relating to agriculture, including crop and live-stock estimates, acreage, yield, grades, stocks, and value of farm crops, and numbers, grades, and value of live stock and live-stock products—

And so forth. An appropriation of \$350,000 for this purpose is carried in the bill. Here is a total of three-quarters of a million dollars for the very purposes provided for in this resolution.

Mr. HEFLIN. That is to provide for the next crop, while this is for cotton that has been accumulated heretofore. We want to find out all that is on hand of the old crop.

Mr. STERLING. The Bureau of Markets and Crop Estimates is still functioning, I suppose, and I think if that information is not now in the possession of the Bureau of Markets you should have a resolution here that provides that the Bureau of Markets shall at once procure and furnish this information.

Mr. HEFLIN. Let me suggest to the Senator one thing that I am sure he does not know. When this cotton comes into the market they take big samples out of it; they cut through the bagging and they take out big samples. They throw them into a box or a basket. They accumulate a vast deal of this cotton, and after a while they repack it, bale it, and they call that the city crop. There are two hundred and odd thousand bales of that character taken out of the crop each year. A lot of that stuff has been accumulated, and it never has been counted by anybody, and we want to get at that.

Mr. STERLING. Can it not be counted by the Bureau of Markets and Crop Estimates?

Mr. HEFLIN. It can, if you provide for it.

Mr. STERLING. If their attention were directed to it, would they do it?

Mr. HEFLIN. They can do it, probably, in the future, for the next crop; but we want this done right now.

Mr. STERLING. I should think the Bureau of Markets could do it now and as quickly or more quickly than could the Committee on Agriculture and Forestry.

Mr. HEFLIN. We will use the present agencies to get these facts.

That is all I have to say.

Mr. JONES of Washington. Mr. President, just a word.

I take it from what the Senator from Alabama says that he expects this committee to employ the 1,000 agents who have been looking after cotton in the Southern States. That simply confirms the idea I have had as to the probable expense, as to what it is absolutely necessary to do in order to get accurate information. You have got to employ these men, and you have got to employ a thousand or more men in the wheat section and all over the country in order to get the information that this resolution calls for.

Mr. HEFLIN. Each one of these agents can report on the conditions in his county in a day.

Mr. JONES of Washington. Mr. President, the Senator appeals to me and suggests that I ought not to oppose this resolution because he did not oppose some bill that was passed this morning. I take it that Senators pass upon the merits of these propositions. I have acted on the different measures that have come up on the basis of what I thought was the proper thing to do. I do not ask any Senator to support any measure in which I am interested because I have supported some measure in which he may have been interested. I expect Senators on this floor to pass upon every proposition that comes up upon its merits. I am satisfied that the Senator from Alabama acts in that way with reference to these matters.

I have made no captious opposition to this resolution. I could have prevented the passage of this resolution. It could not have been called up if objection had been made. I did not see fit to object to it. I simply wanted to call these matters to the attention of the Senate. Then, if the Senate thinks the vote on this resolution should not be reconsidered, I shall accept the judgment of the Senate.

That is all I have to say about it.

Mr. HEFLIN. It is a very meritorious resolution, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider the vote whereby the Senate agreed to the resolution. [Putting the question.] The yeas seem to have it.

Mr. JONES of Washington. I call for a division.

On a division, the motion to reconsider was rejected.

STEVENS INSTITUTE OF TECHNOLOGY.

Mr. FRELINGHUYSEN. Mr. President, I do not want to tax the patience of the chairman of the committee in charge of

the Agricultural appropriation bill, but I should like to ask him if he will consent to my asking unanimous consent to take up a small bill in which my State is deeply interested?

Mr. GRONNA. If it does not lead to any discussion. If it does, I hope the Senator will withdraw it.

Mr. FRELINGHUYSEN. If it leads to any extended debate I will not withdraw the bill, but I will ask that it go over.

Mr. GRONNA. I mean, I hope the Senator will not ask that it be considered now if it leads to any discussion.

Mr. FRELINGHUYSEN. If it leads to any discussion I shall ask that it go over.

Mr. JONES of Washington. Let the bill be read, Mr. President.

The PRESIDING OFFICER. What is the number of the bill?

Mr. FRELINGHUYSEN. It is Senate bill 3695, for the relief of the Stevens Institute of Technology, of Hoboken, N. J.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 3695) for the relief of the Stevens Institute of Technology, of Hoboken, N. J., which had been reported from the Committee on Claims with amendments. It authorizes and directs the Secretary of the Treasury to pay to the trustees of the Stevens Institute of Technology, of Hoboken, N. J., out of any money in the Treasury not otherwise appropriated, the sum of \$45,750, being the sum paid to the United States January 28, 1870, as a collateral inheritance tax upon the bequest which provided for the establishment and endowment of said institute.

The PRESIDING OFFICER. The Secretary will state the amendments of the committee.

The first amendment was, on page 1, after line 9, to insert a new section as follows:

SEC. 2. That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the corporations, associations, societies, or individuals as trustees or executors, such sums of money as have been paid by them as taxes upon bequests or legacies for uses of a religious, charitable, or educational character under the provisions of section 111 of the act entitled "An act to provide internal revenue to support the Government and to pay interest on the public debt," approved July 1, 1862, and its amendments.

Mr. SMOOT. Mr. President, section 2 is an amendment that the committee has proposed to this bill. I do not object at all to the provisions of the bill as introduced, but I do object to this broad provision, not knowing what it is going to involve or where it is going to lead; and unless it is withdrawn, I shall object to the consideration of the bill.

Mr. FRELINGHUYSEN. Mr. President, I have no objection to the amendment being rejected.

Mr. SMOOT. Then I have no objection to the consideration and passage of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDING OFFICER. The committee has also reported an amendment to the title, which, in view of the rejection of the other committee amendment, should be rejected. Without objection, that will be done.

STANDING ROCK INDIAN RESERVATION LANDS.

Mr. SMOOT. Mr. President, I have been requested to ask unanimous consent to take up the joint resolution (H. J. Res. 346) extending the time for payment of purchase money on homestead entries in the former Standing Rock Indian Reservation, in the States of North and South Dakota. I do not want to take up the time of the Senate to explain it other than to say that it is simply an emergency matter, recommended by the department, and the Senators from North and South Dakota are deeply interested in it. It ought to pass before the 4th of March.

Mr. BORAH. Mr. President, I have no objection to the joint resolution, but are we not going to have a calendar day some time?

Mr. SMOOT. Yes; we are.

Mr. BORAH. Then what is the use of picking out certain bills and passing them? I think I shall object, because that will give us an assurance that the Senator from Utah will see that there is a calendar day before the session closes.

The PRESIDING OFFICER. Objection is made.

REFERENCE OF ARMY NOMINATIONS.

Mr. WADSWORTH. Mr. President, I have just consulted with the Senator from North Dakota [Mr. GRONNA], and he has

kindly consented, that I may make the unanimous-consent request which I am about to present.

Since my request the other day another batch of Army nominations has been sent to the Senate. The nominations affect officers from the grade of second lieutenant to colonel, inclusive, and involve a certain number of promotions, some transfers from one branch of the service to the other, and some appointments to the Regular Army. Nothing affecting general officers is involved in the request I am about to make. I ask unanimous consent that, as in open executive session, the nominations which I have described be referred to the Committee on Military Affairs.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations are so referred.

AGRICULTURAL APPROPRIATIONS.

Mr. GRONNA. I ask now that the Agricultural appropriation bill be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15812) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1922.

The PRESIDING OFFICER. The Secretary will read the bill.

Mr. SMOOT. Mr. President, has it been agreed that the committee amendments shall be considered first?

The PRESIDING OFFICER. It has.

The Assistant Secretary proceeded to read the bill.

The first amendment of the Committee on Agriculture and Forestry was, in the item for salaries, office of the Secretary of Agriculture, on page 2, line 6, before the word "solicitor," to strike out "director of regulatory work, \$5,000."

The amendment was agreed to.

The next amendment was, on page 3, line 6, to reduce the appropriation for salaries, office of the Secretary of Agriculture, from "\$367,560" to "\$362,560."

The amendment was agreed to.

The next amendment was, on page 3, line 10, to decrease the total appropriation for the office of the Secretary of Agriculture from "\$467,560" to "\$462,560."

The amendment was agreed to.

The next amendment was, on page 7, after line 11, to insert: For investigations, observations, and reports, forecasts, warnings, and advices for the protection of horticultural interests from frost damage, \$9,000.

The amendment was agreed to.

Mr. SMOOT. I ask that the amendments in lines 20 and 21, changing the totals, may go over, because I have an amendment to offer on lines 3 and 4, page 7, which will change the totals if that amendment is agreed to.

The PRESIDING OFFICER. The amendments changing the totals in lines 20 and 21 will, without objection, be passed over.

The next amendment was, on page 11, line 11, before the word "shall," to strike out "\$978,000" and insert "\$978,800," so as to read:

For investigating the disease of tuberculosis of animals, for its control and eradication, for the tuberculin testing of animals, and for researches concerning the cause of the disease, its modes of spread, and methods of treatment and prevention, including demonstrations, the formation of organizations, and such other means as may be necessary, either independently or in cooperation with farmers, associations, State, Territory, or county authorities, \$1,978,800, of which \$978,800 shall be set aside for administrative and operating expenses and \$1,000,000 for the payment of indemnities.

The amendment was agreed to.

The next amendment was, on page 14, beginning in line 4, to insert the following additional proviso:

Provided further, That of the sum thus appropriated \$8,000 is hereby made immediately available for the erection of necessary buildings at the United States sheep experiment station in Clark County, Idaho, to furnish facilities for the investigation of problems pertaining to the sheep and wool industry on the farms and ranges of the Western States.

The amendment was agreed to.

The next amendment was, in the items for the Bureau of Plant Industry, on page 16, line 7, after the numerals "\$3,000," to insert "one administrative assistant in seed and plant distribution, \$3,000."

Mr. JONES of Washington. I would like to know from the chairman what need there is for that official. I note that the committee has stricken out the item for congressional seed distribution, and I am very glad of it. I hope they will be able to keep it out and that the bill will be enacted into law without the item. It seems to me that if that is done there will be less need for an administrative assistant in seed and plant distribution.

Mr. GRONNA. I will say to the Senator that this item was estimated for to take care of one director, Mr. Jones. Even if the congressional seed distribution item is kept out of the bill, which we hope will be the case, there will still be plenty of

work for this man, because the Department of Agriculture collects rare and valuable seeds which must be distributed.

Mr. JONES of Washington. This man is there now, is he not?

Mr. GRONNA. The House struck out the provision entirely.

Mr. JONES of Washington. But Mr. Jones has been there for years. This is merely a proposition to increase his salary, is it not?

Mr. GRONNA. No; that is not the proposition. The House struck out the whole provision. So unless we incorporate this amendment in the bill, we shall have no one to do that particular work. It does increase his salary from \$2,500 to \$3,000.

Mr. SMOOT. I thought that was exactly the purpose of the amendment.

Mr. GRONNA. No; that is not altogether the purpose, because in the House the whole provision was stricken out. Whether we increase the salary from \$2,500 to \$3,000 or not we must have the language in the bill. If the Senator objects to the amount, \$3,000, of course that is for the Senate to decide. It was estimated for by the department at \$3,000.

Mr. JONES of Washington. It is in order; I understand that. There is a provision in the bill for assistant to the chief, \$3,000. This is for another assistant.

Mr. GRONNA. It is not a new provision.

Mr. JONES of Washington. It involves the question of an increase in salary. That is really the matter involved?

Mr. GRONNA. Yes.

Mr. JONES of Washington. His salary at the present time is \$2,500?

Mr. GRONNA. It is.

Mr. JONES of Washington. I will not oppose the amendment if the Senate will make it \$2,500. It may be that he ought to have \$3,000, but until we bring about a reclassification of salaries, when we raise the salary of one man here and another man there, we simply increase the inequalities about which there has been so much complaint.

Mr. GRONNA. Will not the Senator let it go to conference?

Mr. JONES of Washington. It will go to conference anyhow, if it is put in at \$2,500.

Mr. GRONNA. Very well.

Mr. JONES of Washington. Then I ask that the amount be changed from three thousand to twenty-five hundred.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The ASSISTANT SECRETARY. On page 16, line 8, it is proposed to amend the committee amendment by striking out "\$3,000" and inserting in lieu thereof "\$2,500."

Mr. JONES of Washington. I want to say that I have met Mr. Jones. He is a very fine man, and a very good man in the position he fills; and the only reason why I make this objection is simply because we increase the inequalities by raising salaries here and there. I want to see Congress bring about a reclassification of salaries, and correct the inequalities which everyone admits exist.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on the amendment as amended.

Mr. SMITH of South Carolina. Before the question is put, may I inquire of the chairman of the committee if this relates to the salary provided for J. E. Jones, the gentleman who has had charge of the distribution of seed?

Mr. GRONNA. Yes; that is the item.

Mr. SMOOT. Of course, the House struck the item entirely out, because they expected there would be no distribution of seed for the coming year, and the Senate committee put the provision back in.

Mr. SMITH of South Carolina. Even without putting the provision back for seed distribution, I think we would need this man.

Mr. GRONNA. The Senator knows that we will have seeds to distribute, but we will not have what we call the congressional seed distribution.

Mr. SMOOT. We have had those rare seeds in the bill for years and years, and Mr. Jones has attended to that; but now, when the congressional distribution of seeds is to be taken out of the bill, he is to be given an increase in salary.

Mr. SMITH of South Carolina. Mr. President, I think the reason why the Agricultural Committee of the Senate recommended this increase for Mr. Jones was because those of us who have come in contact with him have found him to be certainly one of the most efficient Government employees in every respect, prompt, accurate, obliging, and, just as far as is legitimate, he would meet the requirements of a Senator with a zeal and an industry that were refreshing by the side of some of the treatment we get when we desire to have things done through the officials we have appointed to do these things. I think the

committee recommended that his salary be raised in recognition of those very traits; and even if some one else must suffer, I think Mr. Jones has demonstrated the fact that he is well worthy to receive a salary of \$3,000 if we are going to have anyone to look after the work he has been engaged in so long and so efficiently in that department. At the proper time I shall move that the salary shall be raised from the \$2,500 now agreed upon to \$3,000. What is the status of it now?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as amended.

Mr. SMOOT. If we are going to have a vote upon it, I do not want a vote taken with so few Senators in the Chamber.

Mr. SMITH of South Carolina. So far as that is concerned, I am not trying to take advantage of anyone. I have simply made my statement, and if the Senator thinks that the expression of the Senate could not be gained now we can just pass over this item and it can be brought up when there are more Senators present.

Mr. SMOOT. That will be all right. I understand we are to take a recess in a few moments, anyhow.

Mr. SMITH of South Carolina. I ask that this particular item may be passed over for future action.

The PRESIDING OFFICER. The amendment as amended will be passed over, together with the total in line 7 on page 17.

The reading of the bill was resumed.

The next amendment was, on page 18, line 3, after the word "survey," to strike out "\$62,020" and insert "\$72,000: *Provided*, That \$10,000 of this amount shall be used for research in brown-rot and kindred diseases of peach trees," so as to read:

For investigations of plant diseases and pathological collections, including the maintenance of a plant-disease survey, \$72,000: *Provided*, That \$10,000 of this amount shall be used for research in brown-rot and kindred diseases of peach trees.

The amendment was agreed to.

The next amendment was, on page 19, line 17, to increase the appropriation for eradication or control of the white-pine blister rust, etc., from "\$100,000" to "\$214,000."

The amendment was agreed to.

The next amendment was, on page 20, line 2, to increase the appropriation for investigation of diseases of cotton, potatoes, truck crops, forage crops, drug and related plants, from "\$95,400" to "\$100,000."

The amendment was agreed to.

The next amendment was, on page 20, line 5, to increase the appropriation for investigating the physiology of crop plants and for testing and breeding varieties thereof from "\$51,860" to "\$56,860."

The amendment was agreed to.

The next amendment was, on page 20, line 12, to reduce the appropriation for soil-bacteriology and plant-nutrition investigations, etc., from "\$50,000" to "\$40,000."

The amendment was agreed to.

The next amendment was, on page 21, line 23, after the word "production," to strike out "\$359,705" and insert "\$391,705," so as to read:

For the investigation and improvement of cereals and methods of cereal production, and the study of cereal diseases, and for the investigation of the cultivation and breeding of flax for seed purposes, including a study of flax diseases, and for the investigation and improvement of broom corn and methods of broom-corn production, \$391,705.

The amendment was agreed to.

The next amendment was, on page 22, line 4, to insert the following additional proviso:

Provided further, That not less than \$32,000 shall be used for investigating the wheat scab or blight.

The amendment was agreed to.

The next amendment was, on page 22, line 13, before the word "plant," to insert "several States and the"; in line 14, before the word "investigation," to insert "including"; and in the same line, after the word "investigation" to strike out "and control authorities of the several States," so as to read:

To enable the Secretary of Agriculture to meet the emergency caused by the existence in the United States of flag smut of wheat, take-all, helminthosporium, and other destructive soil and seed-infecting diseases of wheat and of other cereals, there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, \$30,000, to be used in cooperation with the several States and the plant disease survey, including investigation to prevent the further spread of and to eradicate or control these diseases.

The amendment was agreed to.

The next amendment was, on page 22, line 18, to increase the appropriation for investigation and improvement of tobacco and the methods of tobacco production and handling from "\$32,000" to "\$41,000."

The amendment was agreed to.

The next amendment was, on page 22, line 24, after the word "seed," to strike out "\$94,115" and insert: "\$100,000: *Pro-*

vided, That of this amount \$7,000 shall be immediately available for the purpose of constructing a special greenhouse for sugar-cane investigations to be located on the Arlington Farm, Virginia," so as to read:

For sugar-plant investigations, including studies of diseases and the improvement of sugar beets and sugar-beet seed, \$100,000: *Provided*, That of this amount \$7,000 shall be immediately available for the purpose of constructing a special greenhouse for sugar-cane investigations to be located on the Arlington Farm, Virginia.

Mr. JONES of Washington. Mr. President, I wish to ask what is hoped to be attained by that investigation in a greenhouse here at Arlington?

Mr. RANSDELL. I will state to the Senator that the mosaic disease is said to be very injurious to sugar cane in Porto Rico and all over the South, especially in the State of Georgia, where a great deal of cane is grown for sirup purposes. The Department of Agriculture is very anxious to conduct an investigation with reference to some insects that are exceedingly dangerous. It was at first suggested that the greenhouse be located in Louisiana. I will say in this connection that we have at Baton Rouge a very fine chemical laboratory. We think it is the finest in the world. Students come from all over the world to study sugar chemistry at our State university. But we did not want this establishment put there, because of the danger of the same thing that happened when the gypsy moth was brought over by some scientists to Massachusetts and escaped through the window and did millions of dollars' worth of damage to the trees. We want the insects very carefully guarded. We want these things to be experimented on in a climate where, if they do escape, they can not do any harm.

Mr. JONES of Washington. How does the Senator know that this is that kind of a climate?

Mr. RANSDELL. The Agricultural Department has said so.

Mr. JONES of Washington. Where do they get their information, if they have not had these insects around here?

Mr. RANSDELL. I can not tell where they get it. They do not give me all the information they have, but they assure us it will do no harm.

Mr. JONES of Washington. I think the main thing is that they want \$7,000 for a building over there.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee. Without objection it is agreed to.

Mr. JONES of Washington. It is not agreed to without objection.

The PRESIDING OFFICER. The Chair will put the question.

The amendment was agreed to.

Mr. BORAH. May I ask the chairman of the committee how long he expects to ask us to remain in session this evening?

Mr. GRONNA. I had hoped that we could go on for 10 or 15 minutes longer.

Mr. BORAH. I do not desire to interfere with the progress of legislation, especially when it is an appropriation bill, but I do not want to take up the forestry service or any part of it this evening, because I have some matters of information with reference to which I have been in communication with the department and about which I wish to ascertain certain facts before any steps are taken.

Mr. GRONNA. I suggest that we go on until we reach those items, and then take a recess.

Mr. BORAH. That will be agreeable to me.

The reading of the bill was resumed.

The next amendment of the committee was, on page 23, line 7, to increase the appropriation for investigation and improvement of methods of crop production under subhumid, semiarid, or dry land conditions from "\$159,000" to "\$169,000."

The amendment was agreed to.

The next amendment was, on page 24, line 2, to increase the appropriation for the investigation, improvement, encouragement, and determination of the adaptability to different soils and climatic conditions of pecans, almonds, etc., from "\$20,000" to "\$30,000."

The amendment was agreed to.

The next amendment was, on page 24, line 8, before the word "marketing," to insert the word "transportation," so as to read:

For the investigation and improvement of fruits, and the method of fruit growing, harvesting, and, in cooperation with the Bureau of Markets and Crop Estimates, studies of the behavior of fruits during the processes of transportation, marketing, and while in commercial storage, \$83,200.

Mr. SMOOT. Mr. President, that is an innovation and I am wondering whether we ought to allow it.

Mr. GRONNA. The Senator from Oregon [Mr. McNary] can explain the amendment.

Mr. SMOOT. The question of an investigation of fruit while in process of transportation is entirely an innovation in our legislation.

Mr. McNary. Mr. President, it was thought that in the study of the behavior of fruit it was just as well to consider it while in transit as while in storage. It occurred to me from my small knowledge of the subject that a real investigation of the habits of fruit and its conduct during storage could well be considered in connection with the matter of transportation. For instance, in the West after the fruit leaves cold storage the change which occurs in climatic conditions frequently develops diseases in the fruit that cause the destruction of great quantities. I thought, as long as the department was considering the diseases that occur in the process of storage, it might as well include transportation. That is the reason why I asked to include the word "transportation," so as to take in the whole scheme of investigation of the behavior of fruit and vegetables and without increasing the amount of the appropriation whatsoever.

Mr. SMOOT. Of course, now it will not increase the appropriation; but do I understand that the Senator wants a representative from the Agricultural Department to go along in the fruit car where the fruit is located and study the fruit en route?

Mr. McNary. That is not necessary at all, as anyone conversant with the shipment of fruit will know. The fruit is put in a precooling place and then put in the refrigerator cars. Passing the high altitudes along the Cascade and Rocky Mountains, it will develop certain diseases when it reaches Chicago. It is then compared with the condition of the fruit when it left at the other end. There is no intention of having an officer ride with the fruit at the expense of the Government. It simply makes the whole idea complete.

Mr. SMOOT. It seems to me the wording of the amendment is broad enough to do that without the word "transportation." It makes no difference how the disease attacks the fruit or where, they can investigate it. I do not see why the Senator wants to investigate the fruit during the process of transportation. It seems to me perfectly useless.

Mr. GRONNA. Is it not true that under the old language the department really might have the authority, except that it is not made plain, because the word "marketing" is used? The Senator from Oregon wants to make it plain. It was fairly well considered by the committee, and we thought it would do no harm to make it perfectly plain that the Bureau of Markets should investigate the behavior of fruit from the time it was put into the precooling place until it reached the market. Of course, that might be done only in one instance out of a hundred.

Mr. SMOOT. It says here that the investigation is to be of the behavior of fruit during the "processes of transportation."

Mr. McNary. It reads, "while in the processes of transportation." The effect is evident from its condition when it reaches the point of destination. It does not require a Government agent to follow along and keep in daily touch with the fruit. A reasonable interpretation should be given, and I think would be given by anyone familiar with the subject.

Mr. SMOOT. I do not see how that could be possible while the investigation was required during the processes of transportation. The only way that could be investigated would be while the fruit was in transportation. That is the way I read it. I do not see how any other construction could be put upon the language.

Mr. SMITH of South Carolina. The Senator from Oregon made it clear to the committee that his object, as I understood, was that when the fruit arrives at the point of destination from the point of shipment, upon its arrival it could then be ascertained what was the effect of the transportation on the fruit, and in order to obtain that we put in the word "transportation," so that they might immediately upon its arrival investigate just how it was affected.

Mr. SMOOT. That is what the Senator said; but I am reading the language just as it is and in the way the department will have to construe it.

Mr. McNary. I might give another concrete illustration which I thought would occur to the Senator from Utah: We on the Pacific coast are trying to employ to advantage the use of the Panama Canal. The fruit when it leaves the coast, the congenial climate of Oregon and Washington and the other Northwestern States, goes through a humid atmosphere. The fruit takes on a certain fungus growth and certain fungi will attach to it, whether it be in cans, dried, desiccated, dehydrated, or in original hard and ripe color. When the fruit reaches its destination at Baltimore or New York an inspection is made to ascertain what has occurred to the fruit in whatever form it may

have been shipped, and a report is made. Some scheme may be devised by which an improvement can be made in the handling of the fruit while in transportation. It requires no additional money. It is simply a study that will help the fruit men in getting their fruit to market in the most tasteful condition.

Mr. SMOOT. I do not think there is any question that the wording of the provision as it passed the House would accomplish that very object. What I am looking at is the wording as it will be if the bill becomes a law in this form. It seems quite inconsistent to me. If I were the Secretary of Agriculture and the bill should pass as it is, the only way I could construe it would be that investigations as to the behavior of fruit must be made, as this says, during the processes of transportation. That investigation can not be made unless it is made during transportation.

Mr. McNARY. "While in the processes of transportation."

Mr. SMOOT. No; it says "during the processes of transportation."

Mr. McNARY. In what line?

Mr. SMOOT. In line 7, page 24.

Mr. McNARY. I was looking at that part of the line where it says "while." I am not particular. My idea is to look at the whole matter from the standpoint of the desire to accomplish that which we intend, namely, the preservation of the fruit.

Mr. SMOOT. I am in sympathy with the Senator.

Mr. McNARY. If the distinguished Senator from Utah can word it better than the committee, and perhaps he can, I shall be very willing, so far as I am concerned, to accept that which he would have inserted in the clause.

Mr. SMOOT. What I say is that if the amendment is agreed to, I can not see how the Secretary of Agriculture is going to carry it out unless he has men following the fruit during its transportation, and the Senator does not want that.

Mr. McNARY. Certainly not, and that is what he would not do.

Mr. SMOOT. But that is exactly what the bill would require. It seems to me, from what the Senator desires to accomplish, that the wording of the provision as it passed the House will accomplish it.

Mr. McNARY. There was this thought at the time. I was afraid that a limited definition might be given to the term "marketing." I think the term "marketing" means from the time the fruit leaves the producer until it reaches the final consumer, but to make it certain to cover this one particular point to which the department has not given attention, I wanted to include the word "transportation."

Mr. SMOOT. The Senator knows that the word "marketing" includes not only the transportation, but the handling of the fruit to put it on the railroad.

Mr. McNARY. That is true.

Mr. SMOOT. Therefore it seems to me the amendment is perfectly useless.

Mr. WARREN. Mr. President, I have in mind a way to change the wording that will perhaps please the Senators. I suggest that it be amended to read, "Studies of the behavior of fruits during the processes of marketing, and while in commercial storage, and the effect of transportation." Would that accomplish the purpose?

Mr. McNARY. That would do it.

Mr. WARREN. Take out the word "transportation" and add it after the words "commercial storage."

Mr. SMOOT. There is no objection to that.

Mr. McNARY. That is very satisfactory so far as I am concerned.

Mr. WARREN. Then I move to amend by inserting after the words "commercial storage" the words "and the effect of transportation," so that it will read:

Studies of the behavior of fruits during the processes of marketing, and while in commercial storage, and the effect of transportation.

Mr. SMOOT. There is no objection to that, Mr. President.

Mr. McNARY. That would be very satisfactory, so far as I am concerned.

Mr. WARREN. With my proposed amendment added, it would read in this way, commencing on line 7, page 24:

During the processes of marketing and while in commercial storage, also the effect of transportation.

The same transposition should also be made in lines 21 and 22, on the same page. Of course, the word "also" could be used there or not, as desired.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. After the words "commercial storage," on line 8, page 24, it is proposed to insert the words, "also the effect of transportation."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Agriculture and Forestry was, on page 24, line 16, to decrease the appropriation for cultivation and care for the gardens and grounds of the Department of Agriculture, etc., from "\$20,000" to "\$15,000."

The amendment was agreed to.

The next amendment was, on page 24, line 21, before the word "marketing," to insert "transportation," so as to read:

For horticultural investigations, including the study of producing and harvesting truck and related crops, including potatoes, and, in cooperation with the Bureau of Markets and Crop Estimates, studies of the behavior of vegetables while in the processes of transportation, marketing, and in commercial storage, and the study of landscape and vegetable gardening, floriculture, and related subjects, \$71,940.

Mr. WARREN. I suggest the same amendment to that amendment that was made in line 7, page 24, in the item "for the investigation and improvement of fruits," and so forth.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 24, line 22, after the words "commercial storage," it is proposed to insert "also the effect of transportation."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Agriculture and Forestry was, at the top of page 26, to strike out—

Purchase and distribution of valuable seeds: For purchase, propagation, testing, and congressional distribution of valuable seeds, bulbs, trees, shrubs, vines, cuttings, and plants; all necessary office fixtures and supplies, fuel, transportation, paper, twine, gum, postal cards, gas, electric current, rent outside of the District of Columbia, official traveling expenses, and all necessary material and repairs for putting up and distributing the same; for repairs and the employment of local and special agents, clerks, assistants, and other labor required, in the city of Washington and elsewhere, \$360,000. And the Secretary of Agriculture is hereby directed to expend the said sum, as nearly as practicable, in the purchase, testing, and distribution of such valuable seeds, bulbs, shrubs, vines, cuttings, and plants, the best he can obtain at public or private sale, and such as shall be suitable for the respective localities to which the same are to be apportioned, and in which same are to be distributed as hereinafter stated, and such seeds so purchased shall include a variety of vegetable and flower seeds suitable for planting and culture in the various sections of the United States: *Provided*, That the Secretary of Agriculture, after due advertisement and on competitive bids, is authorized to award the contract for the supplying of printed packets and envelopes and the packaging, assembling, and mailing of the seeds, bulbs, shrubs, vines, cuttings, and plants, or any part thereof, for a period of not more than five years nor less than one year, if by such action he can best protect the interests of the United States. An equal proportion of five-sixths of all seeds, bulbs, shrubs, vines, cuttings, and plants shall, upon their request, after due notification by the Secretary of Agriculture that the allotment to their respective districts is ready for distribution, be supplied to Senators, Representatives, and Delegates in Congress for distribution among their constituents, or mailed by the department upon the receipt of their addressed franks, in packages of such weight as the Secretary of Agriculture and the Postmaster General may jointly determine: *Provided, however*, That upon each envelope or wrapper containing packages of seeds the contents thereof shall be plainly indicated, and the Secretary shall not distribute to any Senator, Representative, or Delegate seeds entirely unfit for the climate and locality he represents, but shall distribute the same so that each Member may have seeds of equal value, as near as may be, and the best adapted to the locality he represents: *Provided also*, That the seeds allotted to Senators and Representatives for distribution in the districts embraced within the twenty-fifth and thirty-fourth parallels of latitude shall be ready for delivery not later than the 10th of January: *Provided also*, That any portion of the allotments to Senators, Representatives, and Delegates in Congress remaining uncalled for on the 1st day of April shall be distributed by the Secretary of Agriculture, giving preference to those persons whose names and addresses have been furnished by Senators and Representatives in Congress and who have not before during the same session been supplied by the department: *And provided also*, That the Secretary shall report, as provided in this act, the place, quantity, and price of seeds purchased, and the date of purchase; but nothing in this paragraph shall be construed to prevent the Secretary of Agriculture from sending seeds to those who apply for the same. And the amount herein appropriated shall not be diverted or used for any other purpose but for the purchase, testing, propagation, and distribution of valuable seeds, bulbs, shrubs, vines, and other rare and valuable trees, shrubs, vines, cuttings, and plants.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. SHEPPARD. Before the amendment is acted upon I desire to offer an amendment to a part of the amendment.

Mr. GRONNA. Mr. President—

Mr. SHEPPARD. Let me state my amendment, then I shall not have any objection to yielding.

Mr. GRONNA. I was going to ask that this amendment go over to-night.

Mr. SHEPPARD. I understood the Chair to put the question on agreeing to the amendment.

Mr. GRONNA. I ask that the amendment go over, and I shall move that the Senate take a recess until 11 o'clock to-morrow.

Mr. SHEPPARD. Then the committee amendment will come up for consideration the first thing to-morrow morning?

The PRESIDING OFFICER. That is the understanding.

Mr. KENYON. Why can not the Senator from Texas state his amendment to-night, so that we may know what it is?

Mr. SHEPPARD. I wish to move to amend the portion proposed to be stricken out by adding the words "the Resident Commissioner of Porto Rico," after the word "Congress," in line 8, on page 27, in order, if the seed distribution shall be provided for, that the Resident Commissioner of Porto Rico may share in it just as the Delegates from Hawaii and the Philippine Islands are now allowed to share in it.

Mr. GRONNA. I will say to the Senator from Texas that I do not think there will be any objection to his amendment. There will not be any, so far as I am concerned.

Mr. THOMAS. Mr. President, will the Senator from North Dakota withhold his motion for a moment?

Mr. GRONNA. I will withhold the motion.

W. C. STEWART.

Mr. THOMAS. I desire to ask unanimous consent for the immediate consideration of two bills on the calendar. They are a couple of small claims for reimbursement of the men who are named in the two bills on account of salaries previously earned for which no appropriation was made. They are very meritorious. I first ask for the consideration of Order of Business 767, being House bill 11945.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 11945) for the relief of W. C. Stewart. It directs the Secretary of the Treasury to pay \$285 to W. C. Stewart, an assistant engineer, working under the direction and supervision of the Department of State on the International Boundary Commission between the United States and Mexico, the payment being for services rendered as such assistant engineer for the months of March and April, 1915.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

HENRY P. CORBIN.

Mr. THOMAS. I now ask unanimous consent for the immediate consideration of Order of Business 768, being House bill 12005.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 12005) for the relief of Henry P. Corbin. It directs the Secretary of the Treasury to pay \$1,973.30 to Henry P. Corbin, a consulting engineer, working under the direction and supervision of the Department of State on the International Boundary Commission between the United States and Mexico, the payment being for services rendered as such consulting engineer for the years 1914, 1915, and 1916.

Mr. SMOOT. What is the object of the bill, I will ask the Senator from Colorado?

Mr. THOMAS. These are two bills, one for the relief of Henry P. Corbin and the other for the relief of W. C. Stewart, the consulting engineer and an assistant engineer of the International Boundary Commission with Mexico. The bills cover the salaries and work done by them, which has not been provided for in previous appropriation bills. The bills have been very carefully examined, and they have passed the Senate once or twice during the last two years. Finally they have come from the House of Representatives, and have been favorably reported by the Committee on Claims of the Senate. I assure the Senator from Utah that they are perfectly innocuous, to use the expression of the Senator from Mississippi [Mr. WILLIAMS].

Mr. SMOOT. Their passage will only take that much out of the Treasury.

Mr. THOMAS. They are bills for the payment of genuine and meritorious claims.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

STANDING ROCK INDIAN RESERVATION LANDS.

Mr. SMOOT. The Senator from Idaho [Mr. BORAH] objected to taking up Order of Business 684, House joint resolution 346, in which the Senators from North Dakota are interested. If we are not going to proceed further with the consideration of the Agricultural appropriation bill, and the Senator from Idaho now has no objection to the measure I have named, I ask that it may be considered and acted upon before a recess is taken to-night.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution (H. J. Res. 346) extending the time for payment of purchase money on homestead entries in the former Standing Rock Indian Reservation, in the States of North and South Dakota, which had been reported from the Committee on Public Lands with amendments.

The first amendment was, in section I, page 1, after line 6, to strike out the words "act of Congress approved May 29, 1908 (35 Stats., p. 460), entitled 'An act to authorize the sale and disposition of surplus or unallotted lands of the Standing Rock Indian Reservation in the States of North and South Dakota, and for other purposes,' and the," so as to read:

That the Secretary of the Interior is hereby authorized, in his discretion, to extend for a period of one year the time for the payment of any annual installment due, or hereafter to become due, of the purchase price for lands sold under the act of Congress approved February 14, 1913 (37 Stats., p. 675), entitled "An act to authorize the sale and disposition of surplus or unallotted lands of the Standing Rock Indian Reservation in the States of North and South Dakota, and for other purposes," and any payment so extended may annually thereafter be extended for a period of one year in the same manner.

The amendment was agreed to.

The next amendment was, in the same section, page 2, line 15, after the word "hereof," to insert:

And provided further, That any entryman who has resided upon and cultivated the land embraced in his entry for the period of time required by law in order to make commutation proof, may make proof, and if the same is approved further residence and cultivation will not be required.

The amendment was agreed to.

The next amendment was, on page 3, after line 2, to insert:

SEC. 2. That the Secretary of the Interior is also hereby authorized, in his discretion, to extend for a period of one year the time for the payment of any annual installment hereafter to become due of the purchase price of lands in the Cheyenne River Indian Reservation in South Dakota and the Standing Rock Indian Reservation in the States of North Dakota and South Dakota, sold at public sale under the act of Congress approved May 29, 1908 (35 Stats., p. 460), under the same terms and on the same conditions as provided in section 1 of this act.

The amendment was agreed to.

The title was amended so as to read: "Joint resolution extending the time for payment of purchase money on homestead entries in the former Standing Rock Indian Reservation, in the States of North and South Dakota, and for other purposes."

The joint resolution was reported to the Senate as amended and the amendments were concurred in.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

RECESS.

Mr. GRONNA. I move that the Senate take a recess until to-morrow, the hour of meeting to-morrow having been already fixed at 11 o'clock.

The motion was agreed to; and (at 6 o'clock and 22 minutes p. m.) the Senate took a recess until to-morrow, Tuesday, February 22, 1921, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate February 21 (legislative day of February 14), 1921.

REAPPOINTMENTS IN THE REGULAR ARMY.

CAVALRY.

Raymond Thomas Connell, late first lieutenant, Cavalry, Regular Army, to be first lieutenant with rank from February 14, 1921.

INFANTRY.

Fernand George Dumont, late first lieutenant, Infantry, Regular Army, to be first lieutenant with rank from February 14, 1921.

MEDICAL CORPS.

Maj. James Walter Bunce, Medical Reserve Corps, late major, Medical Corps, Regular Army, to be captain from February 14, 1921.

PROMOTIONS IN THE REGULAR ARMY.

To be majors.

Capt. Paul John Mueller, Infantry, from July 1, 1920.

Capt. Leland Stanford Hobbs, Infantry, from July 1, 1920.

Capt. John Frederick Kahle, Coast Artillery Corps, from July 1, 1920.

Capt. Edwin Bowman Lyon, Air Service, from July 1, 1920.

Capt. Reinold Melberg, Coast Artillery Corps, from July 1, 1920.

Capt. Clarence Brewster Lindner, Coast Artillery Corps, from July 1, 1920.

Capt. John Henry Cochran, Coast Artillery Corps, from July 1, 1920.
 Capt. Logan Wellington Series, Coast Artillery Corps, from July 1, 1920.
 Capt. Carl Conrad Bank, Field Artillery, from July 2, 1920.
 Capt. Charles Calvert Benedict, Air Service, from July 2, 1920.
 Capt. Vernon Evans, Infantry, from July 2, 1920.
 Capt. Roscoe Barnett Woodruff, Infantry, from July 2, 1920.
 Capt. Joseph Jesse Teter, Coast Artillery Corps, from July 2, 1920.
 Capt. Lewis Clarke Davidson, Infantry, from July 2, 1920.
 Capt. Dwight David Eisenhower, Infantry, from July 2, 1920.
 Capt. Harold William James, Infantry, from July 2, 1920.
 Capt. George Hume Peabody, Air Service, from July 2, 1920.
 Capt. Martin John O'Brien, Coast Artillery Corps, from July 2, 1920.
 Capt. Joseph Cumming Haw, Coast Artillery Corps, from July 2, 1920.
 Capt. James Basevi Ord, Infantry, from July 2, 1920.
 Capt. Earl Larue Naiden, Air Service, from July 2, 1920.
 Capt. Henry McElderry Pendleton, Cavalry, from July 2, 1920.
 Capt. Iverson Brooks Summers, jr., Coast Artillery Corps, from July 2, 1920.
 Capt. Edmund de Treville Ellis, Cavalry, from July 2, 1920.
 Capt. Robert William Strong, Cavalry, from July 2, 1920.
 Capt. Clifford Randall Jones, Coast Artillery Corps, from July 2, 1920.
 Capt. John Beugnot Wogan, Field Artillery, from July 2, 1920.
 Capt. Clesen Henry Tenney, Coast Artillery Corps, from July 2, 1920.
 Capt. Clifford Barrington King, Field Artillery, from July 2, 1920.
 Capt. Frank Edwin Emery, jr., Coast Artillery Corps, from July 2, 1920.
 Capt. Edward Caswell Wallington, Coast Artillery Corps, from July 2, 1920.
 Capt. Carl Ernest Hocker, Coast Artillery Corps, from July 2, 1920.
 Capt. John William Leonard, Infantry, from July 2, 1920.
 Capt. Richmond Trumbull Gibson, Coast Artillery Corps, from July 2, 1920.
 Capt. John Aloysius McDermott, Infantry, from July 2, 1920.
 Capt. Edward Campbell McGuire, Cavalry, from July 3, 1920.
 Capt. Clyde Raymond Eisenschmidt, Infantry, from July 3, 1920.
 Capt. Edward Bolton Hyde, jr., Coast Artillery Corps, from July 10, 1920.
 Capt. John McDonald Thompson, Cavalry, from July 11, 1920.
 Capt. James Alward Van Fleet, Infantry, from July 12, 1920.
 Capt. Louis Alfred Merillat, jr., Quartermaster Corps, from July 12, 1920.
 Capt. Edward Gill Sherburne, Infantry, from July 13, 1920.
 Capt. Walter Wood Hess, jr., Field Artillery, from July 15, 1920.
 Capt. Michael Frank Davis, Air Service, from July 16, 1920.

To be captains with rank from July 1, 1920.

First Lieut. William Mayer, Field Artillery, subject to examination required by law.
 First Lieut. Arnold Richard Christian Sander, Infantry, subject to examination required by law.
 First Lieut. Will Harley Evans, Infantry.
 First Lieut. Charles Orval Thrasher, Quartermaster Corps.
 First Lieut. Frank M. Moore, Infantry.
 First Lieut. Edwin Kenneth Crowley, Infantry.
 First Lieut. Earl Alva Hyde, Field Artillery.
 First Lieut. Thomas Arthur Reiner, Infantry.
 First Lieut. Horatio Gano Fairbanks, Infantry.
 First Lieut. Edward Shippen West, Cavalry.
 First Lieut. Bernard Joseph Finan, Quartermaster Corps.
 First Lieut. George Bernard Wescott, Infantry.
 First Lieut. Caesar Rodney Roberts, Coast Artillery Corps.
 First Lieut. Hjalmar Bernhardt Hovde, Signal Corps.
 First Lieut. Claire Elwood Hutchin, Infantry.
 First Lieut. Walter Carl Claussen, Infantry.
 First Lieut. John Summerfield Vincent, Quartermaster Corps.
 First Lieut. George Nicholl Randolph, Infantry.
 First Lieut. R. T. Walker Duke, Infantry.
 First Lieut. Herbert William Schmid, Infantry.
 First Lieut. Lloyd Leslie Hamilton, Infantry.
 First Lieut. Eustace Maduro Peixotto, Infantry.
 First Lieut. Watson Longan McMorris, Infantry.
 First Lieut. Arthur Walter Penrose, Infantry.
 First Lieut. Frederick DeCaro, Infantry.
 First Lieut. Armin Ferdinand Herold, Air Service.

First Lieut. Joseph Church, Infantry.
 First Lieut. Clinton Enos Fenters, Infantry.
 First Lieut. Robert Trisch Willkie, Quartermaster Corps.
 First Lieut. Elmer Royal Block, Field Artillery.
 First Lieut. Nels Gustaf Sandelin, Quartermaster Corps.
 First Lieut. Elmer Sharpe Van Benschoten, Infantry.
 First Lieut. Ralph Pollock, jr., Quartermaster Corps.
 First Lieut. John Graham Ardon, Infantry.
 First Lieut. Otto Harwood, Quartermaster Corps.
 First Lieut. Harold Harrison Barbur, Infantry.
 First Lieut. Ellis Warren Butt, Coast Artillery Corps.
 First Lieut. Otho Williams Budd, jr., Infantry.
 First Lieut. Eugene Vincent Behan, Infantry.
 First Lieut. Carl Christian Andersen, Infantry.
 First Lieut. Cecil Claude Ray, Quartermaster Corps.
 First Lieut. Charles Davis Vollers, Cavalry.
 Second Lieut. John Edward Covington, Infantry.
 First Lieut. Clyde Purcell Taylor, Infantry.
 First Lieut. Willis Earl Simpson, Infantry.
 First Lieut. George Franklin Davis, Infantry.
 First Lieut. Hubbard Errette Dooley, Infantry.
 First Lieut. Roye Pannebecker Gerfen, Cavalry.
 First Lieut. James Jarlath Kelly, Infantry.
 First Lieut. Willson Young Stamper, jr., Corps of Engineers.
 First Lieut. George Harrison Stuts, Field Artillery.
 First Lieut. Gordon Cushing Day, Corps of Engineers.
 First Lieut. Charles Jesse Mabbutt, Quartermaster Corps.
 First Lieut. Walter Andrews, Quartermaster Corps.
 First Lieut. Ernest August Guillemet, Quartermaster Corps.
 First Lieut. John Albion Chase, Infantry.
 First Lieut. James Allen Ryan, Coast Artillery Corps.
 First Lieut. Henry Edward Tisdale, Field Artillery.
 First Lieut. Clyde Kelly, Infantry.
 First Lieut. Herman Goodwin Halverson, Quartermaster Corps.
 First Lieut. Leslie Norman Conger, Infantry.
 First Lieut. Thomas Morris Jervey, Infantry.
 First Lieut. Thomas Nottingham Williams, Infantry.
 Second Lieut. Albert Joseph Beale, Quartermaster Corps.
 First Lieut. William John Niederpruem, Infantry.
 First Lieut. Eugene Nelson Frakes, Infantry.
 First Lieut. John Russell Young, Infantry.
 First Lieut. John Marvin Hagens, Infantry.
 First Lieut. Morris Easton Conable, Coast Artillery Corps.
 First Lieut. Robert Stuart Smith, Quartermaster Corps.
 First Lieut. Charles Francis Sullivan, Infantry.
 First Lieut. Paul Cassius Berlin, Cavalry.
 First Lieut. Edward Avery Austin, Infantry.
 First Lieut. Karl Minnigerode, Infantry.
 First Lieut. Hartwell Newton Williams, Quartermaster Corps.
 First Lieut. Harry Wright Hill, Corps of Engineers.
 First Lieut. Robert Wilkin McBride, Coast Artillery Corps.
 First Lieut. Charles Addison Pursley, Air Service.
 First Lieut. Bert S. Wampler, Infantry.
 First Lieut. Edmund Fitzgerald Hubbard, Infantry.
 First Lieut. Henry Tureman Allen, jr., Cavalry.
 Second Lieut. Halbert Eli Norton, Quartermaster Corps.
 First Lieut. George Rankin, Infantry.
 First Lieut. Charles Franklin Johnson, Infantry.
 Second Lieut. Carl Herbert Odeen, Quartermaster Corps.
 First Lieut. James Everett Snider, Cavalry.
 First Lieut. Adam Richmond, Infantry.
 First Lieut. Charles Jackson Sullivan, Infantry.
 First Lieut. Winfield Orval Shrum, Infantry.
 First Lieut. Paul Roy Guthrie, Quartermaster Corps.
 First Lieut. Ernest Franklin Dukes, Cavalry.
 First Lieut. Ira Edgar Ryder, Infantry.
 First Lieut. Herbert Randolph Roberts, Infantry.
 First Lieut. James Roger Kennedy, Infantry.
 First Lieut. Harry Joseph Gaffney, Coast Artillery Corps.
 First Lieut. Charles Francis Frost Cooper, Infantry.
 First Lieut. Frank Ward, Infantry.
 First Lieut. Harold Edward Potter, Infantry.
 First Lieut. Rufus Boylan, Infantry.
 Second Lieut. Warren Crouse Hurst, Quartermaster Corps.
 First Lieut. Charles Clinton Griffin, Infantry.
 First Lieut. Willard Lapham Smith, Infantry.
 First Lieut. George Luke Usher, Air Service.
 First Lieut. George H. Cushman, jr., Field Artillery.
 First Lieut. Lester Abraham Harris, Infantry.
 First Lieut. William Lackey Mays, Infantry.
 First Lieut. John Partick Welch, Quartermaster Corps.
 First Lieut. Thomas Almeron Bryant, Cavalry.
 First Lieut. Daniel Bernard Cullinane, Cavalry.
 First Lieut. Llewellyn de Waele Sharp, Infantry.

First Lieut. Harvey Watson McHenry, Quartermaster Corps.
 First Lieut. Frank Lenoir Reagan, Infantry.
 First Lieut. George Randall Wells, Infantry.
 First Lieut. Thomas Ernest Campbell, Infantry.
 First Lieut. John T. Boyle, Quartermaster Corps.
 First Lieut. Peyton Winlock, Field Artillery.
 First Lieut. Clarence Lineberger, Quartermaster Corps.
 First Lieut. George Mortimer Couper, Infantry.
 First Lieut. William Jasper Black, Infantry.
 First Lieut. Homer H. Beall, Quartermaster Corps.
 First Lieut. Abraham Max Lawrence, Infantry.
 First Lieut. Frank Thornton Addington, Infantry.
 First Lieut. Paul Ernest Leiber, Infantry.
 First Lieut. William Bernard Lowery, Infantry.
 First Lieut. James Francis Strain, Infantry.
 Second Lieut. Albert Earle Matlack, Quartermaster Corps.
 First Lieut. Francis Norton Neville, Quartermaster Corps.
 First Lieut. Francis Curran Browne, Infantry.
 First Lieut. Harry Lynn Henkle, Infantry.
 First Lieut. Merrifield Graham Martling, Corps of Engineers.
 First Lieut. Fred Stevens Byerly, Infantry.
 Second Lieut. Austin Webb Lee, Quartermaster Corps.
 First Lieut. Lewis Andrew Pick, Corps of Engineers.
 Second Lieut. Oscar Stanley Smith, Infantry.
 Second Lieut. Joseph Henry Davidson, Air Service.
 First Lieut. John McDowall, Field Artillery.
 First Lieut. Walter Cox Rathbone, Infantry.
 First Lieut. Harry Watson Bolan, Infantry.
 First Lieut. Alfred Clarence George, Air Service.
 First Lieut. George Bagby Campbell, Infantry.
 First Lieut. Harry Martin Andrews, Quartermaster Corps.
 First Lieut. Chauncey McCullough Lyons, Infantry.
 First Lieut. Edward Phillip Wadden, Infantry.
 First Lieut. William Yeates, Cavalry.
 First Lieut. Paul Miller Ellman, Corps of Engineers.
 First Lieut. John Edward Doyle, Infantry.
 First Lieut. Irvin Henry Zelfiff, Field Artillery.
 First Lieut. Ellis Wiswell Hartford, Quartermaster Corps.
 First Lieut. Paul Jones Mathis, Air Service.
 First Lieut. Frank Ellsworth Brokaw, Cavalry.
 First Lieut. Beverly Allison Shipp, Infantry.
 Second Lieut. Walter Kendall Wheeler, jr., Infantry.
 First Lieut. Charles Sherwood Gilbert, Infantry.
 First Lieut. Robert Oliver Shoe, Infantry.
 First Lieut. Charles Crisp Morgan, Infantry.
 First Lieut. Ellis Edward Haring, Corps of Engineers.
 First Lieut. Malcolm Everett Craig, Infantry.
 Second Lieut. Roland Thorpe Fenton, Quartermaster Corps.
 First Lieut. Milton Orme Boone, Quartermaster Corps.
 First Lieut. Perry Edward Taylor, Cavalry.
 First Lieut. John Samuel Schwab, Infantry.
 First Lieut. Walter Daugherty McCord, Infantry.
 First Lieut. James Esmond Matthews, Infantry.
 First Lieut. William James Robertson, Infantry.
 First Lieut. Harry Jefferson Farmer, Infantry.
 Second Lieut. John Lawrence Slade, Quartermaster Corps.
 First Lieut. Samuel Lynn Dunlop, Infantry.
 First Lieut. Charles Sydney Hammond, Coast Artillery Corps.
 First Lieut. Joseph Wheeler Starkey, Infantry.
 First Lieut. Harrington Willson Cochran, Coast Artillery Corps.
 First Lieut. Fred Harry Enckhausen, Infantry.
 First Lieut. Leo Joseph Dillon, Quartermaster Corps.
 First Lieut. Alberto Eugene Merrill, Cavalry.
 First Lieut. Thomas Jefferson Heald, Infantry.
 First Lieut. John Merle Weir, Infantry.
 Second Lieut. Samuel Clifton Cratch, Quartermaster Corps.
 First Lieut. Hubert Ward Beyette, Quartermaster Corps.
 First Lieut. Moore Alexander Stuart, Field Artillery.
 Second Lieut. Evan Jervis Morris, Infantry.
 First Lieut. James Monroe Morris, Infantry.
 First Lieut. Elbridge Colby, Infantry.
 First Lieut. Herbert Hatchett Blackwell, Coast Artillery Corps.
 First Lieut. Richard Adams Knight, Field Artillery.
 First Lieut. Samuel Stafford Wolfe, Infantry.
 First Lieut. Cecil Oliver Temple, Quartermaster Corps.
 First Lieut. Chester David Hilton, Quartermaster Corps.
 First Lieut. Roy Victor Rickard, Infantry.
 First Lieut. Alfred Volckman Ednie, Infantry.
 First Lieut. John Vilmar Blue, Infantry.
 First Lieut. Otto Gresham Trunk, Air Service.
 First Lieut. Frank McCormick Nihoof, Infantry.
 First Lieut. Edmund Gerald Steis, Chemical Warfare Service.
 Second Lieut. William Russell Frost, Field Artillery.
 First Lieut. Freeman Bozeman Daniel, Quartermaster Corps.
 First Lieut. Frederick Wilhelm Tell Sterchi, Infantry.
 First Lieut. Earl Le Verne Lyons, Infantry.
 First Lieut. Kenneth Smith Wallace, Field Artillery.
 Second Lieut. Howard Haines Cloud, Infantry.
 First Lieut. Thomas Jefferson Jackson, Infantry.
 First Lieut. Clarence Lloyd Midcap, Air Service.
 First Lieut. Fred Martin Distelhorst, Infantry.
 First Lieut. Gordon Hall Steele, Quartermaster Corps.
 First Lieut. Harry Kuteman Adams, Infantry.
 First Lieut. Louis William Eggers, Infantry.
 First Lieut. Charlie Anthony Valverde, Infantry.
 First Lieut. Francis Egan, Infantry.
 Second Lieut. Neil Brown Simms, Quartermaster Corps.
 First Lieut. Fred Ivan Gilbert, Ordnance Department.
 First Lieut. John Leverett Farley, Infantry.
 Second Lieut. Charles William Mays, Field Artillery.
 First Lieut. James Carlisle Patterson, Field Artillery.
 Second Lieut. John Joseph Nealon, Infantry.
 First Lieut. Maurice Vernon Patton, Field Artillery.
 First Lieut. Arthur Vanderpool Winton, Coast Artillery Corps.
 First Lieut. Alexander Hill Cummings, Quartermaster Corps.
 First Lieut. Blaisdell Cain Kennon, Infantry.
 First Lieut. Leslie Johnathan Cartwright, Infantry.
 First Lieut. Harland Fisher Seeley, Infantry.
 First Lieut. Wallace Chace Steiger, Cavalry.
 First Lieut. John Huston Church, Infantry.
 First Lieut. Irving Marion McLeod, Infantry.
 First Lieut. Frank Leslie Thompson, Infantry.
 Second Lieut. Harold Baxter Crowell, Infantry.
 First Lieut. Harold Eugene Eastwood, Cavalry.
 Second Lieut. Gilbert Taylor Collar, Air Service.
 First Lieut. Chester Carlton Westfall, Infantry.
 First Lieut. William Langley Wharton, Infantry.
 Second Lieut. Henry Herbert Cameron, Cavalry.
 Second Lieut. William Otis Poindexter, Infantry.
 First Lieut. Anthony Power Lagorio, Infantry.
 Second Lieut. Andrew Paul Paulsen, Infantry.
 Second Lieut. Benjamin Franklin Giles, Air Service.
 First Lieut. Ernest Clifton Adkins, Infantry.
 First Lieut. Moses Foss Cowley, Infantry.
 First Lieut. Lee Huber, Infantry.
 First Lieut. Arthur Hurd Lee, Field Artillery.
 First Lieut. Lee Varnado Hunnicutt, Infantry.
 First Lieut. Keith Kenneth Jones, Field Artillery.
 First Lieut. Thomas Green Poland, Infantry.
 First Lieut. Casper Ray Crim, Infantry.
 First Lieut. Robert Henry Crosby, Field Artillery.
 First Lieut. Chester Russell Fouts, Finance Department.
 First Lieut. Thomas Deweese Davis, Infantry.
 First Lieut. John Ligat Tunstall, Finance Department.
 First Lieut. Frank George Rogers, Field Artillery.
 First Lieut. George Lyman Prindle, Infantry.
 Second Lieut. Philip Theodore Quinn, Field Artillery.
 First Lieut. Leslie Walter Brown, Infantry.
 First Lieut. Tobin Cornelius Rote, Infantry.
 First Lieut. Fraser Hale, Air Service.
 Second Lieut. Isaac Brown Mayers, Infantry.
 First Lieut. Joseph English Hall, Air Service.
 Second Lieut. John Beall Harvey, Infantry.
 First Lieut. Owen Meredith Marshburn, Field Artillery.
 First Lieut. Reading Wilkinson, Corps of Engineers.
 First Lieut. Nicholas Hamner Cobbs, Finance Department.
 First Lieut. William Allen Hale, Infantry.
 First Lieut. David Eugene Barnett, Infantry.
 Second Lieut. Earle Albie Johnson, Infantry.
 First Lieut. Edgar Harland Keltner, Infantry.
 First Lieut. Jesse Andrew Rogers, jr., Infantry.
 Second Lieut. Furman Walker Hardee, Infantry.
 First Lieut. Charlie Campbell McCall, Cavalry.
 First Lieut. Robert Quail Whitten, Infantry.
 First Lieut. Benjamin Haw Lowry, Field Artillery.
 First Lieut. Charles Peter Lynch, Infantry.
 First Lieut. Edward Crews Black, Air Service.
 First Lieut. William Burbridge Yancey, Infantry.
 First Lieut. Edwin Henderson Quigley, Infantry.
 Second Lieut. Raymond Leroy Shoemaker, Infantry.
 First Lieut. Shirley Wiggins McIlwain, Quartermaster Corps.
 First Lieut. Charles Edward Richardson, Quartermaster Corps.
 First Lieut. John Phillip Scott, Cavalry.
 First Lieut. Charles August Hoss, Infantry.
 First Lieut. Andrew Christian Tychsen, Infantry.
 Second Lieut. George James Burns Fisher, Coast Artillery Corps.
 First Lieut. Edmond Hugh Brown, Infantry.

First Lieut. Laurence Mickel, Infantry.
 Second Lieut. Robert John Wallace, Infantry.
 First Lieut. John Swan Moore, Infantry.
 First Lieut. Henry Earl Minton, Ordnance Department.
 First Lieut. Lovic Pierce Hodnette, Infantry.
 First Lieut. Arthur S. Champeny, Infantry.
 First Lieut. John Hamilton Cochran, Infantry.
 Second Lieut. Ralph Alfonzo Gibson, Air Service.
 Second Lieut. John Benjamin Holmberg, Air Service.
 First Lieut. Lloyd William Goeppert, Coast Artillery Corps.
 Second Lieut. Henry William Robinson, Infantry.
 First Lieut. William Michener, Field Artillery.
 Second Lieut. Don Norris Holmes, Infantry.
 First Lieut. Ernest Everett Boyle, Infantry.
 First Lieut. Letcher Ogle Grice, Quartermaster Corps.
 Second Lieut. William Millican Randolph, Air Service.
 First Lieut. Alexander Jesse MacNab, Infantry.
 First Lieut. Walter Hibbard, Infantry.
 First Lieut. Ralph Leroy Ware, Infantry.
 First Lieut. Chauncey Aubrey Bennett, Field Artillery.
 First Lieut. Brisbane Hanks Brown, Infantry.
 First Lieut. Charles Andrew Robinson, Infantry.
 Second Lieut. Joe Shurlock Underwood, Quartermaster Corps.
 First Lieut. Albert Charles Gale, Field Artillery.
 Second Lieut. Elmer Douglas Campbell, Cavalry.
 Second Lieut. Clarence John Blake, Quartermaster Corps.
 Second Lieut. John Joseph Buckley, Infantry.
 First Lieut. LeRoy F. Pape, Quartermaster Corps.
 First Lieut. Harry Dennis Furey, Infantry.
 First Lieut. Charles Henry Wilson, Infantry.
 First Lieut. John George Pickard, Infantry.
 First Lieut. Winfred Houghton, Cavalry.
 Second Lieut. Richard Mathews Sandusky, Infantry.
 First Lieut. Ernest Francis Boruski, Infantry.
 First Lieut. Harold Mays Tague, Infantry.
 Second Lieut. John Walker Henson, Infantry.
 First Lieut. Eugene Arthur Regnier, Cavalry.
 Second Lieut. William Grove Murphy, Infantry.
 Second Lieut. Preston Wilson Gillette, Cavalry.
 Second Lieut. James Lindley Coman, Coast Artillery Corps.
 First Lieut. Joseph James Canella, Infantry.
 First Lieut. Walter Alexander Wood, jr., Corps of Engineers.
 First Lieut. Charles McKinley Kemp, Infantry.
 Second Lieut. Howard Avil Worrell Kates, Infantry.
 First Lieut. Raymond Cecil Hamilton, Infantry.
 Second Lieut. Harold Albert Baumeister, Infantry.
 First Lieut. Jasper Morris Groves, Infantry.
 First Lieut. Norris Adron Wimberley, Infantry.
 First Lieut. Orlen Nelson Thompson, Infantry.
 Second Lieut. Joseph Aloysius St. Louis, Infantry.
 Second Lieut. Joseph Saddler Dougherty, Infantry.
 First Lieut. Richard James Kirkpatrick, Air Service.
 First Lieut. Carey Ephriam Campbell, jr., Infantry.
 First Lieut. Clarence Ronald Peck, Infantry.
 First Lieut. Ray Milton House, Infantry.
 First Lieut. Pierre Mallett, Field Artillery.
 First Lieut. Overton Walsh, Field Artillery.
 Second Lieut. Clarence Harvey Bragg, Infantry.
 First Lieut. DeWitt Clinton Smith, jr., Infantry.
 First Lieut. John Curtis Newton, Infantry.
 First Lieut. Leslie Lancaster Heller, Infantry.
 Second Lieut. Vaughan Morris Cannon, Cavalry.
 Second Lieut. Wilson Stuart Zimmerman, Infantry.
 First Lieut. Graeme Gordon Parks, Infantry.
 First Lieut. Edwin Paul Ketchum, Corps of Engineers.
 First Lieut. Frank Lee McCoy, Infantry.
 First Lieut. George Lucius Blossom, Infantry.
 Second Lieut. Cyril Clifton Chandler, Infantry.
 Second Lieut. Fred Harold Norris, Infantry.
 First Lieut. Raymond Emanuel Hoffman, Infantry.
 First Lieut. James Francis Clark Hyde, Corps of Engineers.
 First Lieut. Robert James Kirk, jr., Infantry.
 First Lieut. James Edward Mendenhall, Infantry.
 First Lieut. Leo Alexander Bessette, Infantry.
 First Lieut. Kent Clayton Mead, Infantry.
 Second Lieut. James Wellington Younger, Quartermaster Corps.
 First Lieut. Amory Vivian Eliot, Infantry.
 First Lieut. James Clarence Reed, Infantry.
 First Lieut. Eugene Ferguson Hinton, Infantry.
 Second Lieut. Oliver Wendell Broberg, Air Service.
 First Lieut. Clarence Earle Lovejoy, Infantry.
 Second Lieut. Richard Sylvester Gessford, Infantry.
 Second Lieut. Benjamin Mills Crenshaw, Infantry.
 Second Lieut. Curtis Loyd Stafford, Cavalry.

Second Lieut. Alexander Garrett Olsen, Cavalry.
 First Lieut. Robert Kauch, Air Service.
 First Lieut. Arthur Riehl Wilson, Field Artillery.
 Second Lieut. John Major Reynolds, Field Artillery.
 First Lieut. Basil Vernon Fields, Infantry.
 Second Lieut. Bickford Edward Sawyer, Cavalry.
 First Lieut. Irwin Samuel Dierking, Infantry.
 Second Lieut. Donald Boyer Rogers, Field Artillery.
 Second Lieut. Clinton Fisk Woolsey, Air Service.
 First Lieut. Joseph Bartholomew Conmy, Infantry.
 Second Lieut. William Randolph Watson, Infantry.
 First Lieut. George Curtis McFarland, Coast Artillery Corps.
 First Lieut. Collin Stafford Myers, Infantry.
 First Lieut. John Peter Neu, Quartermaster Corps.
 First Lieut. William Herschel Middleswart, Quartermaster Corps.
 Second Lieut. Arden Clucas Miller, Field Artillery.
 Second Lieut. Frank Sims Mansfield, Infantry.
 First Lieut. Paul Clarence Spears, Field Artillery.
 First Lieut. Ralph C. G. Nemo, Infantry.
 First Lieut. Ross Franklin Cole, Air Service.
 Second Lieut. Oakley Leigh Sanders, Cavalry.
 First Lieut. John Pinnix Lake, Infantry.
 First Lieut. Heston Rarick Cole, Corps of Engineers.
 First Lieut. Russel Burton Reynolds, Infantry.
 Second Lieut. Harold Douglas Diasmore, Infantry.
 First Lieut. Paul Clarence Boylan, Field Artillery.
 Second Lieut. Ralph Floyd Love, Infantry.
 Second Lieut. William Irving Sherwood, Infantry.
 First Lieut. Charles Wilkes Christenberry, Infantry.
 Second Lieut. Charles Andrew Beaucond, Infantry.
 Second Lieut. Horace William Mooney, Air Service.
 Second Lieut. Robert Mansfield McCurdy, Infantry.
 First Lieut. Stewart Franklin Miller, Field Artillery.
 First Lieut. Hugh Campbell Parker, Infantry.
 Second Lieut. Floyd Marshall, Infantry.
 First Lieut. William Carey Lee, Infantry.
 First Lieut. Leonard Henderson Sims, Infantry.
 First Lieut. John Edwin Ray, Infantry.
 Second Lieut. Roy Thomas Barrett, Coast Artillery Corps.
 First Lieut. John Jeremiah Bachman, Field Artillery.
 First Lieut. Raymond Jay Williamson, Infantry.
 Second Lieut. Vere Painter, Quartermaster Corps.
 First Lieut. Walter Julius Ungethuen, Infantry.

HOUSE OF REPRESENTATIVES.

MONDAY, February 21, 1921.

The House met at 12 o'clock noon.

The Rev. James Shera Montgomery, D. D., pastor of Calvary Methodist Episcopal Church, Washington, D. C., offered the following prayer:

Blessed Heavenly Father, in Thy light we shall see light. Give unto us an open eye that we may follow its gleam, and may we not willingly allow it to die off of our pathway. This is the miracle of God and the ideal attainment of man. How we thank Thee. Through Jesus Christ our Lord. Amen.

The Journals of the proceedings of Saturday and Sunday were read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed with amendment the bill (H. R. 14461) to provide for the protection of the citizens of the United States by the temporary suspension of immigration, and for other purposes, had requested a conference with the House of Representatives on the bill and amendment, and had appointed Mr. COLT, Mr. DILLINGHAM, and Mr. GORE as the conferees on the part of the Senate.

The message also announced that the Senate had passed with amendments the bill (H. R. 8038) to provide for the establishment of a branch land bank in the island of Porto Rico, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had passed without amendment bills of the following titles:

H. R. 178. An act authorizing an exchange of lands by A. A. Bruce, of La Veta, Colo.; and

H. R. 8692. An act authorizing the exchange of lands within the Montezuma National Forest in Colorado.